



**LEE'S SUMMIT**  
MISSOURI

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Comprehensive Annual Financial Report

For The Year Ended June 30, 2014

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***CITY OF LEE'S SUMMIT, MISSOURI***  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*FOR THE YEAR ENDED JUNE 30, 2014*

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Report issued by the Department of Finance

# CITY OF LEE'S SUMMIT, MISSOURI

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## Introductory Section

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# LEE'S SUMMIT

## M I S S O U R I

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March 30, 2015

The Honorable Mayor and City Councilmembers:

Transmitted herewith is the annual financial report for the City of Lee's Summit, Missouri (the City) for the fiscal year ended June 30, 2014. The Finance Department prepared this report and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

### **Profile of the Government**

The City was organized on December 1, 1868 under the laws of the State of Missouri. The City became a Charter City on April 2, 1996 when voters approved the Home Rule Charter. The charter established a government in which the City Council, consisting of eight members, two per district, elected by their respective district's citizens, performs the legislative duties of the City. The City Council holds Regular Sessions the first and third Thursday of each month and has an additional "Work or Study Session" on the second Thursday of each month. The executive power in the City is vested in the Mayor, who is recognized as the head of the City for all legal and ceremonial purposes. The Mayor is elected at large by the City electorate. The City Manager is the chief administrative officer of the City. The City Manager is appointed by the Mayor with the advice and consent of a majority of the City Council.

Lee's Summit is approximately 65 square miles in size and is located at the suburban edge of the Kansas City metropolitan area and has absorbed significant growth in the last three decades. In 1980, the City's population was approximately 28,000 and 46,500 in 1990. The city experienced a 53 percent increase in populations from 1990 to 2000 and increased in population by more than 29 percent between 2000 and 2010. Today's population is approximately 93,092.

The City is well served by several interstate, federal and state highways. Interstate 470, which rings the southeastern part of the Kansas City metropolitan area, and connects with Interstates 70 and 435, dissects the City of Lee's Summit. These interstates also connect with Interstates 35 and 29, thereby giving Lee's Summit excellent access to the entire metro area. Two federal highways, U.S. 50 and U.S. 40, and two state highways, M-291 and M-150, also connect Lee's Summit to Kansas City and the surrounding area. In planning for the future, the City uses the I-470 Corridor Study, the M-150 plan and the Comprehensive Plan when looking for guidance regarding growth and land use in and along the highway system. Amtrak and the Union Pacific Railroads also serve the City. The Lee's Summit Municipal Airport has both north/south and crosswind directional runways.

Utility service in the City is mixed between public and private companies. Water and sanitary sewerage utilities are operated by the Water Utilities Department of the City. Water and sewerage rates are established to meet the total revenue requirements of the utilities. Natural gas is supplied by the Missouri Gas Energy Company (MGE) and electricity by Kansas City Power and Light. Both traditional and cellular phone service is provided by numerous companies.

All major commercial television networks, independent local stations as well as public television and various cable & satellite television companies service the City, and a number of AM and FM stations broadcast throughout the area.

In addition to the *Kansas City Star* daily newspaper and its supplemental *Southland Star* published on Saturdays, the City is served by the *Lee's Summit Journal*, *The Examiner* and the *Lee's Summit Tribune*.

## **Education**

The City of Lee's Summit boundaries overlap several school districts. The Lee's Summit R-7 School District represents 83% of the total area. Recognized as one of the nation's outstanding school districts, the Lee's Summit R-7 School District was ranked No. 7 among school districts throughout the nation in Money magazine's annual issue focusing on "America's Best Places to Live." In addition, the R-7 School District has won Missouri's Distinction in Performance Award, the state's highest recognition for academic achievement. The school district's enrollment has increased from 9,125 pupils in 1990 to 17,630 in 2014. The school district expects growth to continue. The R-7 School District has 18 elementary schools, 3 middle schools and 3 high schools. The district also operates an Early Education Center, Parents as Teachers program, Summit Ridge Academy (alternative high school) and Summit Technology Academy. The district's special-education, day-treatment facility, Miller Park Center, and the Lee's Summit R-7 Aquatic Center both opened in 2009. Within City limits, the Blue Springs R-4 School District also has an elementary school and middle school.

There are 33 higher education institutions located within the Kansas City metro area that are accessible to residents in Lee's Summit. For continuing education and associate's programs, the Metropolitan Community College – Longview is another award-winner with nearly 8,000 students enrolled per year. Undergraduate completion programs are available through the University of Central Missouri's Summit Center Campus.

The Mid-Continent Public Library system has two facilities in Lee's Summit, one in the east central section and one in the west central part of the City.

### **Recreation, Cultural and Religious Facilities**

Lee's Summit Parks and Recreation offers a quality of life that is second to none. This Gold Medal Award winning department manages a wide range of programs and activities throughout the Lee's Summit community. Forty-two full-time staff and hundreds of seasonal and permanent part-time staff care for over 1,100 acres, almost 70 miles of trails, manage three community centers, a water park, and provide more than 3,100 programs and events annually. To help serve the population, a volunteer program was created; and approximately 2,600 volunteers contributed over 93,000 hours. Lee's Summit Parks and Recreation nurtures public and private partnerships with county parks, private developers and other city departments to create land agreements, new neighborhood parks and the two dog parks.

Lee's Summit Parks and Recreation also supports and encourages arts, culture and beautification throughout the City by administering both the Arts Council and Beautification Commission for the City. From free downtown festivals, to an Arts Council grant program and Arts Summits, to the Beautification Committee awards, Lee's Summit Parks and Recreation ensure the continuance and growth of a thriving arts community in Lee's Summit.

The Park Board continues to support significant improvements to existing parks and recreation facilities based on a citizen-based strategic plan called "Legacy for Tomorrow and Beyond" with voters approving an extension of the Parks and Soils sales tax in 2005. These projects are funded through user fees, Parks and Soils sales tax and property taxes as well as cooperative development agreements in which potential neighborhood park land is donated by developers.

Lake Jacomo, Longview Lake, Blue Springs Lake and Prairie Lee Lake are located in Jackson County Parks within the City limits of Lee's Summit and offer numerous recreational activities such as boating, fishing, camping, skiing and swimming. Lee's Summit residents and the Kansas City metropolitan area enjoy these lakes

Lee's Summit has over 70 churches of various denominations.

### **Commerce, Industry and Employment**

Lee's Summit continues to see growth in commercial and residential development.

Two highway interchanges opened in 2010 serving Lee's Summit. The I-470 and 350/50 Highway interchange opened up approximately 150 acres of commercial land for new development and improved access to two regional shopping centers with 1.2 million square feet of retail space along with reducing traffic congestion and improving safety. The Strother Road interchange provides convenient access from the interstate to a light industrial area, alleviates traffic congestion and helps to spur economic development in the area.



The Honorable Mayor  
and City Council members  
City of Lee's Summit, Missouri

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The City of Lee's Summit has a broad spectrum of major employers. They include companies that manufacture everything from plastic containers to tools to electronic components. In addition to manufacturing, there are a wide variety of services such as customer service centers for pharmaceuticals and telecommunications firms, data management and processing centers and educational institutions. There are 17 business sites in Lee's Summit with 250 employees or more, with 9 of these business sites with over 500 employees.

John Knox Village is widely recognized as one of the best and most comprehensive retirement communities in the Greater Kansas City Area. John Knox Village is a continuing care retirement community that provides senior housing, countless services and amenities and long term health care services. Located on 450 acres, more than 1,500 residents enjoy services and amenities in nearly 1,300 housing choices, ranging from free standing homes to apartment complexes, including private assisted living apartments and a skilled nursing center.

The City has seen its retail sales tax base increase significantly in the past thirteen years. The pattern of retail development in Lee's Summit follows closely with major traffic routes. The 800,000-square-foot Summit Woods Crossing is located west of US 50 Highway and just south of I-470. It includes anchor tenants such as Lowe's, Kohl's, Best Buy, Dick's, Target and specialty stores such as Michaels and Bed Bath and Beyond. Summit Fair, a 486,000-square-foot, open-air lifestyle center, is located east of US 50 Highway and just south of I-470. Opening in August 2009 and anchored by Macy's and JC Penney, it includes home furnishings, men's and women's fashion, fast-casual eateries, sit-down restaurants and specialty retailers. Smaller centers are scattered throughout the City, generally along highways M-291, M-150 and US 50.

The City, in cooperation with the Unity Village School of Christianity, approved the annexation and development of approximately 300 acres of land south of Colbern Road in 2012. This property contains an estimated 2.2 million square feet capacity for 'Class A' and other commercial oriented development upon full build out.

### Major Initiatives

The following table sets forth average annual unemployment figures for Lee's Summit and for the State of Missouri, obtained from the Bureau of Labor Statistics, compared to national figures:

<b>Year</b>	<b>Area Unemployment Rate</b>	<b>Statewide Unemployment Rate</b>	<b>United States Unemployment Rate</b>
2014	5.1%	6.5%	6.1%
2013	5.1%	6.8%	7.5%
2012	5.5%	7.0%	8.2%
2011	6.6%	8.6%	9.1%
2010	6.9%	9.3%	9.4%

The City of Lee's Summit continues to be an active and growing community. 1,738 building permits were issued in calendar year 2013 (including alterations, additions and demolitions).

The Honorable Mayor  
and City Council members  
City of Lee's Summit, Missouri

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The City's population has grown from 28,416 in 1980, 47,253 in 1990, 70,700 in 2000 and 91,364 in the 2010 census to an estimated population of 93,092 as of December 2013.

Capital projects of \$46.5 million were constructed during the year using proceeds of General Obligation Bonds, Certificates of Participation, water and sewer connection fees, transportation sales and excise taxes together with grant funds for buildings, street, airport, water and sewer improvements.

The Lee's Summit 360° Strategic Planning process completed its 4th year in the implementation phase. In August 2009, the City Council approved a resolution adopting this as the City's long-term strategic plan. This is the third such plan that the community of Lee's Summit has collaborated together to create. The first strategic plan was completed in 1993 with a follow-up in 1999. Many of the accomplishments attributed to the quality of life in our community, and the excellence in City services are a result of the previous two processes. From the new City Hall complex to the renovated downtown corridor, strategic planning has dramatically changed the way Lee's Summit has developed during the last two decades.

Citizen participation has become the norm in Lee's Summit. From involving citizens in identifying problems to inviting them to be part of suggesting solutions, citizens are empowered to contribute their time and talents in many ways. Lee's Summit has a wide variety of volunteer boards and commissions and an opportunity for anyone who desires to get involved. The implementation of our citizen strategic plan is just one of the reasons why Lee's Summit has passed 19 successful ballot issues in a row.

### **Long-Term Financial Planning**

Over the years, one of the City's strengths has been its strong financial condition and prudent financial management. The City has diligently developed and implemented annual budgets that provide our citizens consistent, reliable municipal services and programs.

The economic downturn significantly affected the City's General Fund revenue in fiscal year 2009. The City has experienced modest growth in revenue categories such as property tax, franchise tax, sales tax and vehicle tax over the past four years. The City continued to focus on cost containment efforts to continue to meet fiscal priorities to residents. These cost containment efforts began during fiscal year 2009 and continued into 2014, as vacant positions were carefully evaluated and approved and filled only when essential, planned studies were deferred and contractual services were reviewed.

General Fund expenditures are recommended to increase 4.2% over the previous year's budget. A portion of this increase is due to offering a retirement maximization program. The cost of the program in FY15 is expected to be recouped in the next few years with lower salary costs.

The City utilizes a five-year model for fiscal planning purposes. This model projects a fund balance of 20% of planned expenditures in Fiscal Year 2019.

## **Financial Information**

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, equities, revenues and expenditures or expenses.

Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds and Debt Service Funds are included in the annual appropriated budget. The level of budgetary control is established at the activity level by the encumbrance of purchase orders with material balances before their release to vendors. Purchase orders that result in an overrun of activity balances are not released until alternative sources of payment are made available.

## **Single Audit**

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is subject to periodic evaluation by the management of the City.

As a part of the City's single audit, tests are made to determine the adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2014 provided for one significant deficiency in internal control, which was also a violation of applicable laws and regulations. This report is available in the City of Lee's Summit's separately issued Single Audit Report.

## **Major Revenue Sources**

The City's largest source of revenue is from property taxes.

Combined property, franchise and excise tax revenues comprise approximately 50% of total governmental revenue.

Property tax is an ad valorem tax, levied on all real and personal property, based upon the assessed valuation as established by the County Assessor on January 1st of each year. Real property assessed valuation is determined by applying the "market value" times the appropriate assessment ratios. They are as follows: Commercial/Industrial-32%; Residential-19%; Agricultural-12%. Personal property assessed valuation is set at 33% of market value and is determined by the State Tax Commission. Each year the City Council must set the rates to be levied for the City's property taxes.

Utility franchise fees are gross receipt taxes levied on all service charges for customers subscribing to natural gas, electricity, telecommunications and cable television service within the City's boundaries. Franchise taxes are directly dependent on the weather conditions and will vary with extreme periods of heat or cold.

The road excise tax is in the form of a license tax on building contractors to be paid on all development which requires a building permit and results in additional traffic (vehicle trips). The license tax is paid prior to the building permit issuance. These revenues are used to construct streets, roads, bridges and related improvements.

Sales taxes comprise approximately 32% of total governmental revenue.

The City imposes a total sales tax of 2.25% on all goods and commodities sold within the City limits with the exception of pharmaceutical drugs and farm machinery. The State of Missouri receives the tax from the respective business and distributes the funds monthly to the City.

The general sales tax is a one cent sales tax used for the General Fund.

The transportation tax is a one-half cent sales tax used for funding transportation projects only. This tax is not levied on utilities.

The capital project sales tax is a one-half cent sales tax with a sunset of ten years as approved by the voters of Lee's Summit for streets, roads, bridges and related improvements. The tax became effective beginning April 1, 1998. This tax was approved by voters for an additional ten years at the same rate. This tax will sunset on March 31, 2018.

The local parks sales tax is a one-quarter cent sales tax with a sunset of ten years to fund four key elements of the "Legacy for Tomorrow" plan. Previously, this tax rate was three-eighths cent. The new rate became effective on April 1, 2008. These revenues will be used to fund future projects including a new senior center, family aquatics center, more trails and expansion of Legacy Park. This tax will sunset on March 31, 2018.

The state motor vehicle fuel tax is distributed to the City on the city-to-state population ratio. The ratio is based on the U.S. census figures and will fluctuate with statewide consumption and population changes, as they become measurable.

The City actively applies for many federal and state pass-through grant funds that may be available. Many of these grants are designed to provide start-up funds or are for limited periods of time.

The county urban road system (CURS) money is collected by Jackson County and is used to fund road and bridge projects that are maintained mutually by the City and county. The county and City recently completed improvements to Woods Chapel Road and Blackwell Road using these funds.

### **Enterprise Funds**

The City operates four Enterprise Funds: the Combined Waterworks and Sewerage System, the Airport, the Solid Waste Management (Sanitary Landfill) and the Harris Park Community Center.

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate of capital maintenance, public policy, management control, accountability or other purposes.

### **Combined Waterworks and Sewerage System**

The City's combined Water and Sewer System revenues include water and sewer connection fees intended to fund significant capital improvement projects identified in their respective master plans. The rate structure provides a capital improvement funding mechanism to upgrade and replace existing transmission and collection lines.

A strategic plan for the Water Utilities Department was adopted by the City Council in December 2011. This plan consisted of a comprehensive assessment phase followed by a strategic planning process. One of many recommendations of the plan was to adjust water rates in order to preserve financial reserves, address needed system improvements and offset increasing operating cost. The adjustment became effective April 1, 2012 for water service customers. Sanitary sewer service rates remained unchanged in 2012 but are recommended to increase in subsequent years.

The City purchases its water from the City of Independence, Missouri (72%) and the City of Kansas City, Missouri Water Department (28%). Sewage treatment is provided by the Little Blue Valley Sewer District, which charges member cities on a volume treated basis. The City of Lee's Summit represents approximately 26% of the normalized flow of the Little Blue Valley metro sewer district.

## **Airport**

The City operates the Lee's Summit Municipal Airport, which is designated by the Federal Aviation Administration as a reliever airport for the Kansas City metropolitan area. It is designed to reduce congestion at larger air carrier airports by providing general aviation pilots with alternate landing facilities. It is further classified as a general aviation utility airport serving planes with gross weights of less than 30,000 pounds and landing speeds less than 121 knots. The airport is equipped with two runways, each approximately 4,000 feet long, and supports an estimated 34,000 takeoffs and landings of personal and business purposes per year. The Airport has 23 buildings and many tie down spots that house approximately 172 aircraft.

In April 2011, the *Airport Business Plan* was adopted by the City Council. The plan was developed to assess the potential to improve the Airport's financial performance, economic development and operation. Items identified in the plan to increase profitability range from extending a runway to attract more corporate aviation to improving terminal services and initiating a marketing strategy.

Following recommendation of the *Airport Business Plan*, the City initiated an engineering contract for services to provide the design work for the first phase of development involving the grading for a 1,285 foot extension to the south. This work is being performed with the assistance of federal and state aviation grants and is anticipated to be completed in late 2014.

## **Solid Waste Management (Sanitary Landfill)**

The Solid Waste Management facility (Landfill) remains one of the few municipally operated sites for solid waste disposal in the Kansas City metropolitan area. The expansion of the original area should provide solid waste disposal until 2018. The City provides drop-off recycling services at two locations and also is a metropolitan area household hazardous waste drop-off site for the regional program.

## **Harris Park Community Center**

The Harris Park Community Center, formerly known as the Recreation Center is a multipurpose recreational facility that is self-supporting and was renovated in 2008. The Center offers summer day camp for children, volleyball, soccer, basketball leagues and instruction, as well as numerous other activities and programs.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lee's Summit, Missouri for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 36th consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Honorable Mayor  
and City Council members  
City of Lee's Summit, Missouri

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A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document beginning July 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communications device.

### **Independent Audit**

The City Charter requires an annual audit to be made of the financial statements of the various funds and account groups. This audit is performed by an independent certified public accounting firm selected by the City. The City's auditor is RubinBrown LLP.

### **Acknowledgments**

The preparation of this report was accomplished through the efforts of the staff of the Finance Department in cooperation with the City's auditors, RubinBrown LLP. Special recognition should go to Assistant Finance Director, Darlene Pickett, for all of her hard work and coordination in compiling the City's financial data. Our sincere thanks to all of those who assisted.

Respectfully submitted,



Stephen A. Arbo  
City Manager



Conrad E. Lamb  
Finance Director

# **THE CITY OF LEE'S SUMMIT**

## **MAYOR**

Randall L. Rhoads

### **DISTRICT 1**

Rob Binney  
Kathy Hofmann

### **DISTRICT 3**

Derek Holland  
Ed Cockrell

### **DISTRICT 2**

Brian Whitley  
Allan Gray

### **DISTRICT 4**

Dave Mosby  
Robert T. Johnson

## **FINANCE & PERSONNEL COMMITTEE**

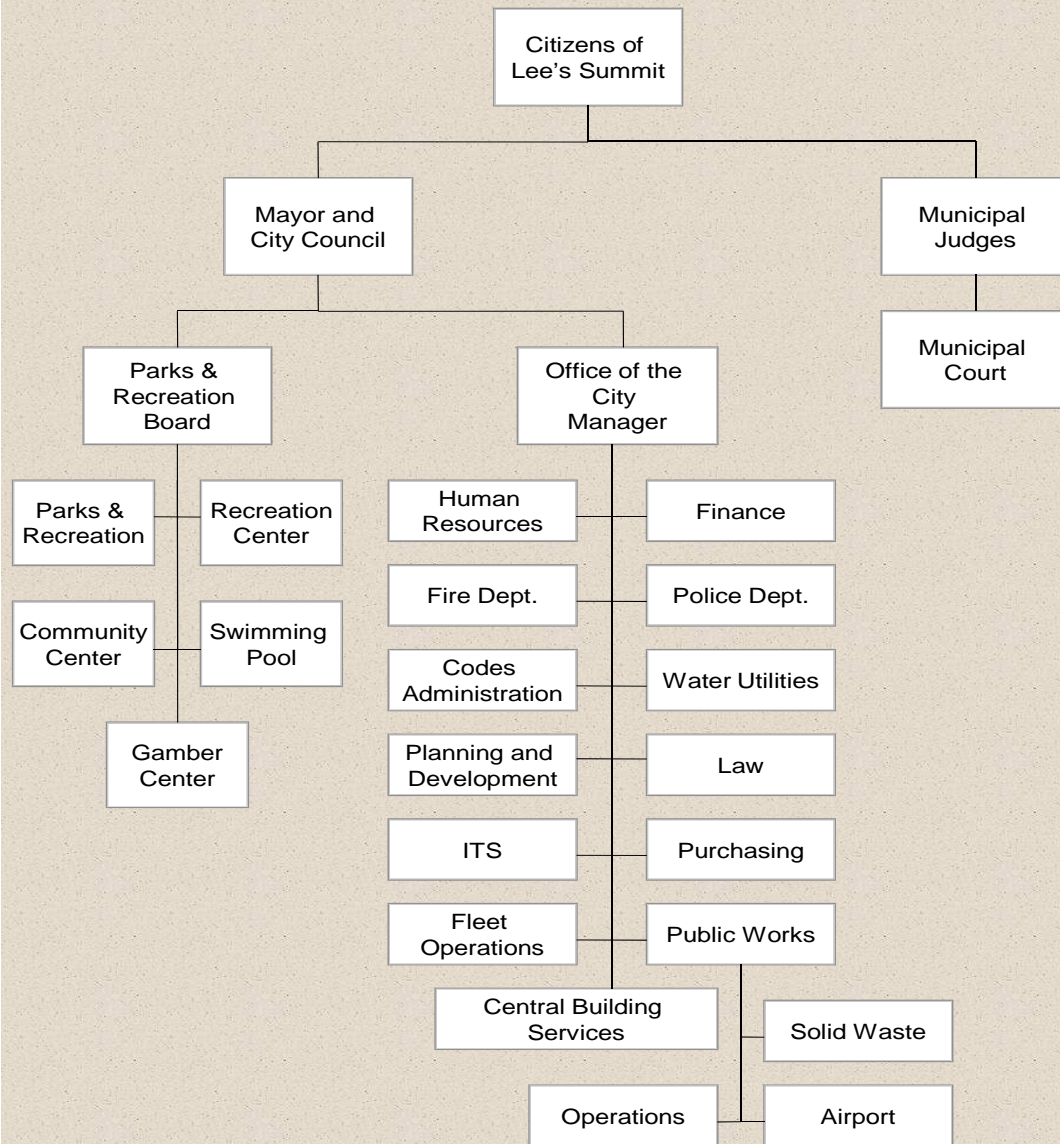
Brian Whitley, Chairman  
Allan Gray  
Robert T. Johnson  
Ed Cockrell

## **ADMINISTRATION**

Stephen A. Arbo, City Manager  
Brian Scott, Assistant City Manager  
Conrad E. Lamb, Finance Director  
Keith Martin, Fire Chief  
Rich Wood, Interim City Attorney  
Scott Lyons, Interim Police Chief  
J. Thomas Lovell, Parks Administrator  
Charles Owsley, Public Works Director  
Mark Schaufler, Water Utilities Director  
Robert G. McKay, Community Development Director  
Mark Dunning, Development Center Director



# Organizational Chart Lee's Summit, Missouri





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Lee's Summit  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

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## **Financial Section**

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RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

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Overland Park, KS 66210

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## Independent Auditors' Report

The Honorable Mayor and Members  
of the City Council  
City of Lee's Summit, Missouri

### Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lee's Summit, Missouri, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Lee's Summit, Missouri's basic financial statements, as listed in the table of contents.

### *Management's Responsibility For The Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lee's Summit, Missouri as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Budgetary Comparison Information on pages 50 through 51, and the Schedule of Funding Progress - Retirement Plan and Other Post Employment Benefit Obligations on page 52 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lee's Summit, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2015 on our consideration of the City of Lee's Summit, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lee's Summit, Missouri's internal control over financial reporting and compliance.

*RubinBrown LLP*

March 30, 2015

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**CITY OF LEE'S SUMMIT, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2014**

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As management of the City of Lee's Summit, Missouri (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. This is the 12th year of reporting in conformance with the guidelines prescribed in Governmental Accounting Standards Board's (GASB) Statement No. 34. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

**Financial Highlights**

- The assets of the City of Lee's Summit exceeded its liabilities at the close of the most recent fiscal year by \$711,449,354 (net position). Of this amount, unrestricted net position was negative \$16,624,008.
- The City's total net position increased \$25.2 million. Of this amount, \$14.1 million was from the City's "governmental activities" and the balance was from the "business-type activities."
- The City's total debt decreased approximately \$2.1 million (-2%) during the current fiscal year. Factors in this decrease are the issuance of \$6.8 million in General Obligation debt, a \$.5 million airport COP refunding and scheduled reductions of the City's other debt.

**Overview of the Financial Statements**

- This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements.** The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net position* presents all of the City's assets and liabilities with the difference between the two reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).



## CITY OF LEE'S SUMMIT, MISSOURI

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### Management's Discussion And Analysis (*Continued*)

The government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) separate from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities for the City included general government, public works and streets, public safety, planning and development, and parks and recreation. The business-type activities for the City include the combined waterworks and sewerage system, municipal airport, sanitary landfill, and recreation center.

***Fund Financial Statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

***Governmental Funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

***Proprietary Funds.*** The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and equipment, management information systems, central building services, and self-insurance activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

***Notes To The Financial Statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Other Information.*** In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary and pension information. The combining statements for the nonmajor funds and internal service funds are presented immediately following the required supplementary information.

# CITY OF LEE'S SUMMIT, MISSOURI

## Management's Discussion And Analysis (*Continued*)

### Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the City's financial position. As of June 30, 2014, assets exceed liabilities by \$711,449,354. The largest portion of the City's net position, \$635,161,713 (89%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following table reflects the condensed Statement of Net Position as of June 30, 2014 and 2013:

	Net Position					
	Governmental Activities		Business type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 101,721,509	\$ 106,618,732	\$ 47,044,281	\$ 42,749,222	\$ 148,765,790	\$ 149,367,954
Capital assets	447,052,183	428,400,906	227,050,673	220,523,916	674,102,856	648,924,822
Total assets	548,773,692	535,019,638	274,094,954	263,273,138	822,868,646	798,292,776
Deferred outflows of resources	132,242	146,936	219,995	—	352,237	146,936
LT liabilities outstanding	74,991,050	77,822,292	15,003,736	15,578,317	89,994,786	93,400,609
Other liabilities	17,430,110	15,000,469	4,346,633	3,770,976	21,776,743	18,771,445
Total liabilities	92,421,160	92,822,761	19,350,369	19,349,293	111,771,529	112,172,054
Net assets: invested in capital assets, net of related debt	414,531,277	349,886,468	220,630,436	212,923,508	635,161,713	562,809,976
Restricted	59,637,888	68,519,039	33,273,761	33,282,263	92,911,649	101,801,302
Unrestricted	(17,684,391)	23,938,306	1,060,383	(2,281,926)	(16,624,008)	21,656,380
Total net position	\$ 456,484,774	\$ 442,343,813	\$ 254,964,580	\$ 243,923,845	\$ 711,449,354	\$ 686,267,658

At the end of the current fiscal year, the City is able to report positive balances in invested in capital assets, net of related debt and restricted net position. The deficit balance in unrestricted net position is attributed to the effect the Tax Increment Financing Bonds have on how each category is calculated. There were eleven funds that did not have positive fund balances. One of these funds, The Chapel Ridge Tax Increment Financing (TIF) Fund, is a capital project fund with an interfund loan outstanding. Two funds are special revenue funds that are waiting on grant reimbursements. These funds include Entitlement Fund and Energy Efficiency Grant. These funds currently have temporary loans from other funds until proceeds are received. Seven other funds are capital project funds. These include: the New Fire Facility 2 which accounts for construction of a new fire facility with bond funding. Sidewalk bonds account for sidewalk improvements. Public Safety Issues fund accounts for expenditures related to the 2010 bond election question, Park Development fund for construction of new parks, Third Street Improvements fund accounts for improvements along Third Street related to a bond issue, Blue Parkway and Colbern Road CID accounts for improvements related to a recently annexed area in the City, and Salt Dome #2 accounts for the construction of a second salt dome with bond funds. Lastly, the Sanitary Landfill is an enterprise fund that accounts for landfill operations and capital projects. These funds have temporary loans from other funds.

The City's combined net position increased to \$711.4 million from \$686.3 million as a result of the year's revenues exceeding expenses as reflected in the next table. The City's unrestricted net position for governmental activities was negative \$17.7 million. Total unrestricted net position was negative \$16.6 million including business-type activities of \$1.1 million.

# CITY OF LEE'S SUMMIT, MISSOURI

## Management's Discussion And Analysis (*Continued*)

By far, the largest portion of the City's net position (89%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total net position of approximately \$711 million is comprised of \$635 million invested in capital assets, net of related debt; \$93 million is restricted for capital projects, debt service, law enforcement and economic development; negative \$17 million is unrestricted.

The City's net position increased \$25 million during the current fiscal year. Fifty-six percent of this increase represents the increase in governmental activities.

### Statement of Activities

The following table reflects the revenues and expenses from the City's activities for the years ended June 30, 2014 and 2013:

	Changes in Net Position					
	Governmental Activities		Business type activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 9,869,964	\$ 9,328,573	\$ 38,751,057	\$ 36,425,318	\$ 48,621,021	\$ 45,753,891
Operating grants and contr	1,169,331	1,400,858	—	—	1,169,331	1,400,858
Capital grants and contr	3,188,981	1,921,135	4,345,037	1,191,530	7,534,018	3,112,665
General revenues:						
Property taxes	33,714,179	35,456,745	—	—	33,714,179	35,456,745
Sales and use taxes	32,220,496	32,191,356	—	—	32,220,496	32,191,356
Other revenue	21,248,418	21,179,489	183,324	209,943	21,431,742	21,389,432
<b>Total revenues</b>	<b>101,411,369</b>	<b>101,478,156</b>	<b>43,279,418</b>	<b>37,826,791</b>	<b>144,690,787</b>	<b>139,304,947</b>
Expenses:						
Public works	16,429,506	23,836,549	—	—	16,429,506	23,836,549
Public safety	40,972,082	40,435,341	—	—	40,972,082	40,435,341
Parks and rec	7,897,133	7,761,931	—	—	7,897,133	7,761,931
Planning and dev	894,521	904,265	—	—	894,521	904,265
General govt	18,346,278	16,793,993	—	—	18,346,278	16,793,993
Interst on LT debt	3,171,310	4,287,131	—	—	3,171,310	4,287,131
Combined water and sewer	—	—	25,871,350	25,063,889	25,871,350	25,063,889
Sanitary landfill	—	—	2,873,343	2,867,606	2,873,343	2,867,606
Airport	—	—	2,012,142	2,052,157	2,012,142	2,052,157
Rec Center	—	—	1,041,426	1,186,856	1,041,426	1,186,856
<b>Total expenses</b>	<b>87,710,830</b>	<b>94,019,210</b>	<b>31,798,261</b>	<b>31,170,508</b>	<b>119,509,091</b>	<b>125,189,718</b>
Change in net position before transferes	13,700,539	7,458,946	11,481,157	6,656,283	25,181,696	14,115,229
Transfers	440,422	1,060,297	(440,422)	(1,060,297)	—	—
<b>Change in net position</b>	<b>14,140,961</b>	<b>8,519,243</b>	<b>11,040,735</b>	<b>5,595,986</b>	<b>25,181,696</b>	<b>14,115,229</b>
Net position beginning	442,343,813	433,824,570	243,923,845	238,327,859	686,267,658	672,152,429
<b>Net position ending</b>	<b>\$ 456,484,774</b>	<b>\$ 442,343,813</b>	<b>\$ 254,964,580</b>	<b>\$ 243,923,845</b>	<b>\$ 711,449,354</b>	<b>\$ 686,267,658</b>

## CITY OF LEE'S SUMMIT, MISSOURI

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### Management's Discussion And Analysis (*Continued*)

#### Governmental Activities

Governmental activities increased the City's net position by \$14.1 million.

Property taxes, the largest governmental category at 33% finished the year at \$33.7 million which had a decrease \$1.7 million or 5% over the prior year. This is due primarily to lower assessed values on real estate and flat growth. Sales and Use taxes finished the year flat at \$32.2 million for both fiscal years. Franchise tax came in flat as well at \$21.2. This was primarily due to less extreme weather conditions. Overall, governmental revenues finished the year \$67,000 below prior year.

For the fiscal year ended June 30, 2014, revenues totaled \$144.7 million (governmental and business-type). Revenues from governmental activities totaled \$101.4 million or 70% of the total City revenues.

Governmental activities expenses decreased \$6.3 million or 7% for the fiscal year ended June 30, 2014 compared to the fiscal year ended June 30, 2013. This decrease is primarily due to capital projects that were under construction last year.

Certain revenues are generated that are specific to governmental program activity. These totaled \$4 million. The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2014 and 2013:

	Net cost of governmental activities			
	Total cost of Service		Net cost of service	
	2014	2013	2014	2013
General government	\$ 18,346,278	\$ 16,793,993	\$ (16,152,070)	\$ (14,264,865)
Public safety	40,972,082	40,435,341	(35,677,401)	(34,825,756)
Public works and streets	16,429,506	23,836,549	(12,640,381)	(21,574,511)
Planning and development	894,521	904,265	(770,196)	(763,486)
Parks and recreation	7,897,133	7,761,931	(5,071,196)	(5,380,491)
Interest on long-term debt	3,171,310	4,287,131	(3,171,310)	(4,287,131)
Total	\$ 87,710,830	\$ 94,019,210	\$ (73,482,554)	\$ (81,096,240)

As previously noted, expenses from governmental activities totaled \$87.7 million. However, net costs of these services were \$73.5 million. The difference represents direct revenues received from charges for services of \$9.9 million, operating grants and contributions of \$1.2 million and capital grants and contributions of \$3.1 million. Taxes and other revenues of \$87.6 million were collected to cover these net costs.

#### Business-Type Activities

Business-type activities net position increased by \$11 million in the current year.

Overall revenues increased \$5.5 million or 14.4% compared to last year. This was due to an increase in water revenues during the current year of 6% or \$1.9 million. Dry conditions early in the fiscal year and a rate increase were factors in this increase. The Airport had a non-operating revenue increase of \$2.8 million. This increase is comprised of capital grants funding. On the other hand, overall expenses increased just less than \$1 million or 3% compared to the prior year.

## **CITY OF LEE'S SUMMIT, MISSOURI**

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### Management's Discussion And Analysis (*Continued*)

#### **Financial Analysis of the City's Funds**

The General Fund is the chief operating fund of the City. The fund balance of the General Fund at June 30, 2014 was \$17.3 million or 30.4% of actual expenditures. This represents an increase of \$2.5 million or a 16.6% increase over the previous year's balance. Revenues increased \$1.2 million and expenses increased by \$.7 million over the previous fiscal year.

The City recognizes the need for a fund balance that can adequately absorb any downturn to avoid changes and reductions in service levels. The City Council adopted a resolution committed to maintaining at a minimum, an amount equal to 25% of expenditures in the General Fund balance, where 5% is reserved or designated for "Opportunity Funding." The types of uses eligible for funding from the 5% Opportunity Funding Reserve shall include matching funds for grants, economic development/business retention, planning studies, and capital projects.

The Debt Service Fund ended the year with a fund balance of \$9.1 million, an increase of almost \$.2 million or 2%. As of June 30, 2014, the City has issued all but \$75,000 of the \$37 million general obligation debt authorized by the electorate in November 2002. In November 2007, the electorate authorized an additional \$25 million in general obligation debt. The bonds provide for the construction of storm water improvements, sidewalk improvements, arterial street lights, an additional salt dome, and construction and relocation of Fire Station #2. As of June 30, 2014, \$1.5 million of these bonds have not been issued. In November 2010, the electorate authorized an additional \$37.4 million in general obligation debt. The bonds provide for the construction of curb and sidewalk improvements, road improvements to Strother Road, Tudor Road and View High Drive @ I-470, emergency services radio upgrades and police facility improvements. At the end of Fiscal Year 2014, \$9.5 million of these bonds have not been issued. In April 2013, the electorate authorized an additional \$7.49 million in general obligation debt. The bonds provide for cultural arts facilities including an amphitheater at Legacy Park, rehabilitation of the old downtown post office/city hall building, and creating an outdoor performance and festival space downtown. It also included Orchard Street and Pryor Road improvements. As of June 30, 2014, \$658,000 of these bonds have not been issued. In April 2014, the electorate authorized an additional \$10 million in general obligation debt. The bonds provide for the construction of improvements to the US Highway 50 and Missouri State Route 291 intersection and bridge system. The City, in accordance with these "No Tax Increase" bond elections, has held the tax levy constant and monitors fluctuations in fund balance for future no tax increase bond issues.

The Capital Improvement Sales Tax Fund ended the year with a fund balance of \$27.3 million. This represents an increase of \$2.5 million or 10% over the previous year. The increase is due to steady sales tax revenues coupled with projects still in the early stages.

The Blue Parkway and Colbern Road CID Fund ended the year with a fund balance of negative \$1.2 million. The negative balance is due to start up costs associated with the community improvement district (CID) that will be reimbursed with tax funds generated from development in this area. This fund was established in Fiscal Year 2013.

The Combined Water and Sewerage system recorded an increase of \$7.6 million in net position for the year. The increase in 2013 was \$6.1 million. Revenues increased over the last fiscal year by \$1.9 million as consumption levels increased coupled with a rate increase.

## **CITY OF LEE'S SUMMIT, MISSOURI**

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### Management's Discussion And Analysis (*Continued*)

The Sanitary Landfill fund recorded a decrease of \$200,000 in net position for the year that is attributed to payments to the Post Closure Fund in the amount of \$175,000. Revenues of \$2.94 million exceeded expenses of \$2.87 million resulting in operating income of \$70,000. The City monitors tipping fees in order to remain competitive with other landfills. Daily tonnage is also monitored to ensure that the life of the landfill lasts until 2018 as planned.

The Airport Fund recorded an increase of \$3.6 million in net position for the year. The increase is attributed to \$3,530,000 in grant funding received during the fiscal year.

### **General Fund Budgetary Highlights**

Differences between the original and the final amended budget can be summarized as follows:

The total original expenditure budget of \$57,914,657 increased to \$58,478,764 for an increase of \$564,107.

Actual revenues were \$2 million more than budgeted. Property taxes were \$700,000 more than expected due to conservative revenue projections. While sales tax revenues were \$.3 million or 2% less than expected. Franchise receipts came in on budget primarily due to mild weather conditions. Franchise tax revenues are paid by utilities and can vary with weather conditions. Licenses, permits and fees were .5 million more than expected along with motor vehicle sales taxes being \$.4 million over expectations. This is due to a small rebound in economic conditions.

Actual expenditures were \$1.4 million less than budgeted. This was primarily due to on-going cost containment measures.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$674 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems improvements, collections systems, machinery and equipment, park facilities, and infrastructure. Capital assets increased \$25 million during the period.

Major capital events during the current fiscal year included the following:

- Completion of the Police Facility Improvements at \$7 million for the year.
- Road overlay and slurry seal program totaling \$3.6 million for the year.
- Sidewalk rehabilitation totaling \$1.6 million for the year.
- Airport land acquisition at \$4.4 million for the year.
- Lea McKeighan Park renovations of \$1.5 million for the year.
- Progress construction of Tudor Road extension totaling \$2.4 million for the year.
- Progress construction of Bailey Road (M-291 to Hamblin) totaling \$3.2 million for the year.
- Progress construction on city wide curb replacement totaling \$2.5 million for the year.
- Additional system additions and improvements were completed in the Combined Waterworks and Sewerage Fund at a cost of almost \$3.8 million including water main rehab of \$1.4 million for the year.

## CITY OF LEE'S SUMMIT, MISSOURI

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### Management's Discussion And Analysis (*Continued*)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 7,997,075	\$ 7,997,075	\$ 19,625,415	\$ 19,625,415	\$ 27,622,490	\$ 27,622,490
Construction in progress	119,213,110	113,869,805	30,229,289	19,874,198	149,442,399	133,744,003
Buildings	42,245,273	44,745,487	—	—	42,245,273	44,745,487
Improvements	17,752,363	19,138,974	176,615,119	180,471,895	194,367,482	199,610,869
Machinery & Equip	10,721,124	11,149,514	580,850	552,408	11,301,974	11,701,922
Infrastructure	249,123,238	231,500,051	—	—	249,123,238	231,500,051
	<u>\$ 447,052,183</u>	<u>\$ 428,400,906</u>	<u>\$ 227,050,673</u>	<u>\$ 220,523,916</u>	<u>\$ 674,102,856</u>	<u>\$ 648,924,822</u>

These capital assets are funded by traditional bond financing, impact fees, and user charges. For more detailed information on capital assets, refer to Note 3 in the Notes to Basic Financial Statements.

#### ***Debt Administration***

The City, at the end of fiscal 2014, had a total of \$79.4 million of outstanding obligations. This was a decrease of \$3.3 million or 4% from the previous year.

The City's aggressive debt retirement schedule is the reason the overall obligations for both governmental activities and business-type activities decreased.

As of June 30, 2014, the City's total issued General Obligation (G.O.) Bonded Debt was \$44,455,000 and authorized and unissued debt was \$21,778,000. The City has statutory authority to issue debt equal to 20% of the City's total assessed valuation or \$331,688,357. This, less outstanding debt, authorized and unissued debt, and available cash, leaves a legal debt margin of \$272,462,549, which is 82% of the City's total bonding capacity. Bonded debt, net of available debt service funds, amounted to approximately \$447 per capita and represented 2.44% of the assessed value of taxable property.

General Obligation Bonds retired \$6.2 million of their principal amount outstanding this year along with interest payments of \$1.5 million.

The City's Obligation bonds have most recently been rated Aa1 by Moody's Investors Services and AA+ by Standard and Poors.

The total revenue bond amount outstanding at June 30, 2014 was \$6,170,000, which was solely made up of bonds of the Combined Water and Sewer Utility.

The Combined Water and Sewer Utility Fund retired \$905,000 of their principal amount outstanding this year along with interest payments of \$132,450.

The City's Combined Water and Sewer Revenue Bonds carry an Aa2 rating from Moody's Investors Service. The most recent Special Obligation Bonds were rated AA- by Standard & Poor's. This rating reflects the City's covenant to budget and appropriate for debt service, subject to annual appropriations.

The City has \$8,985,000 in Certificates of Participation outstanding. In 2006, the City issued \$17,095,000 in certificates of participation for making various capital improvements to Legacy Park and Harris Park.

## **CITY OF LEE'S SUMMIT, MISSOURI**

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### Management's Discussion And Analysis (*Continued*)

Additional information on the City's long-term debt can be found beginning with Note 4.

#### **Economic Factors and Next Year's Budgets and Rates**

Combined General Fund revenues for fiscal year 2015 are projected to total \$59 million. This represents an increase of \$53,000 over the prior year budget. After recent years of flat sales tax growth and decreased building permit activity, the City has experienced modest growth in revenue categories such as property taxes, sales taxes and charges for services.

General Fund expenses are projected to total \$60.8 million compared to \$58.5 million budgeted in fiscal year 2014. This represents a \$2.4 million increase.

Personal Services expenditures are estimated using a 2% wage adjustment pool for the employee pay-for-performance system. During early FY15 a retirement incentive will be offered to employees that qualify.

Because of Lee's Summit's strong growth, much of the budget is dedicated to capital improvement (CIP) funding. The City prepares a five-year CIP annually, which includes a detailed description of the various projects and their funding sources.

Key initiatives funded in the FY15 budget represent a focus on economic development, an update of community planning documents, improved organizational capacity, and enhanced communications.

#### *Requests for Information*

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Conrad Lamb, Finance Director, City of Lee's Summit, 220 SE Green Street, Lee's Summit, Missouri 64063.



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## Basic Financial Statements

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# CITY OF LEE'S SUMMIT, MISSOURI

## STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 87,653,807	\$ 43,744,479	\$ 131,398,286
Receivables (net of allowance)			
Taxes	7,984,511	—	7,984,511
Accounts and other	1,037,148	4,224,753	5,261,901
Interest	77,564	48,997	126,561
Internal balances	1,477,642	(1,477,642)	—
Due from other governmental agencies	669,059	80,705	749,764
Inventories	150,008	414,072	564,080
Prepaid expenses	5,790	3,396	9,186
Other assets	16,666	5,521	22,187
Restricted assets			
Cash and investments	2,649,314	—	2,649,314
Capital assets			
Nondepreciable	127,210,185	49,854,704	177,064,889
Depreciable, net	319,841,998	177,195,969	497,037,967
Total capital assets	447,052,183	227,050,673	674,102,856
<b>Total Assets</b>	548,773,692	274,094,954	822,868,646
<b>Deferred Outflows Of Resources</b>			
Deferred amount on refunding	132,242	219,995	352,237
<b>Liabilities</b>			
Accounts payable and accrued expenses	5,704,383	2,583,999	8,288,382
Payroll liabilities	1,765,118	173,517	1,938,635
Accrued interest payable	719,725	196,074	915,799
Unearned revenue	—	25,906	25,906
Customer deposits - payable from restricted deposits	1,438,171	452,529	1,890,700
Long-term obligations			
Due within one year			
Compensated absences	437,713	34,608	472,321
Bonds and contracts	7,365,000	880,000	8,245,000
Due in more than one year			
Compensated absences	3,669,353	296,228	3,965,581
Net pension obligation	526,680	—	526,680
Other post employment benefits	1,733,339	198,983	1,932,322
Bonds and contracts	69,061,678	14,508,525	83,570,203
<b>Total Liabilities</b>	92,421,160	19,350,369	111,771,529
<b>Net Position</b>			
Net investment in capital assets	414,531,277	220,630,436	635,161,713
Restricted for			
Debt service	9,149,312	794,000	9,943,312
Capital projects	45,363,270	32,479,761	77,843,031
Law enforcement	312,709	—	312,709
Economic development	4,812,597	—	4,812,597
Unrestricted	(17,684,391)	1,060,383	(16,624,008)
<b>Total Net Position</b>	\$ 456,484,774	\$ 254,964,580	\$ 711,449,354

# CITY OF LEE'S SUMMIT, MISSOURI

## STATEMENT OF ACTIVITIES For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 18,346,278	\$ 1,817,541	\$ 376,667	\$ —	\$ (16,152,070)	\$ —	\$ (16,152,070)
Public safety	40,972,082	4,502,832	791,849	—	(35,677,401)	—	(35,677,401)
Public works and streets	16,429,506	600,144	—	3,188,981	(12,640,381)	—	(12,640,381)
Planning and development	894,521	124,325	—	—	(770,196)	—	(770,196)
Parks and recreation	7,897,133	2,825,122	815	—	(5,071,196)	—	(5,071,196)
Interest on long-term debt	3,171,310	—	—	—	(3,171,310)	—	(3,171,310)
<b>Total Governmental Activities</b>	<b>87,710,830</b>	<b>9,869,964</b>	<b>1,169,331</b>	<b>3,188,981</b>	<b>(73,482,554)</b>	<b>—</b>	<b>(73,482,554)</b>
<b>Business-Type Activities</b>							
Waterworks and sewerage system	25,871,350	33,357,588	—	814,767	—	8,301,005	8,301,005
Sanitary landfill	2,873,343	2,942,970	—	—	—	69,627	69,627
Airport	2,012,142	1,403,945	—	3,530,270	—	2,922,073	2,922,073
Recreation center	1,041,426	1,046,554	—	—	—	5,128	5,128
<b>Total Business-Type Activities</b>	<b>31,798,261</b>	<b>38,751,057</b>	<b>—</b>	<b>4,345,037</b>	<b>—</b>	<b>11,297,833</b>	<b>11,297,833</b>
<b>Total Primary Government</b>	<b>\$ 119,509,091</b>	<b>\$ 48,621,021</b>	<b>\$ 1,169,331</b>	<b>\$ 7,534,018</b>	<b>(73,482,554)</b>	<b>11,297,833</b>	<b>(62,184,721)</b>
<b>General Revenues</b>							
Taxes							
Property taxes, levied for general purposes					25,778,791	—	25,778,791
Property taxes, levied for debt service					7,935,388	—	7,935,388
Franchise taxes					14,083,783	—	14,083,783
Sales and use taxes					32,220,496	—	32,220,496
License taxes					600,233	—	600,233
Motor vehicle taxes					3,397,313	—	3,397,313
Earnings on investments					314,089	183,324	497,413
Other revenues					2,548,479	—	2,548,479
Gain on sale of assets					304,521	—	304,521
<b>Transfers</b>					440,422	(440,422)	—
<b>Total General Revenues And Transfers</b>					<b>87,623,515</b>	<b>(257,098)</b>	<b>87,366,417</b>
<b>Change In Net Position</b>					<b>14,140,961</b>	<b>11,040,735</b>	<b>25,181,696</b>
<b>Net Position - Beginning</b>					<b>442,343,813</b>	<b>243,923,845</b>	<b>686,267,658</b>
<b>Net Position - Ending</b>					<b>\$ 456,484,774</b>	<b>\$ 254,964,580</b>	<b>\$ 711,449,354</b>

**CITY OF LEE'S SUMMIT, MISSOURI**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2014**

	General Fund	Debt Service	Capital Improve- ment Sales Tax	Blue Parkway And Colbern Road CID	Other Govern- mental Funds	Total Govern- mental Funds
<b>Assets</b>						
Pooled cash and investments	\$ 12,861,543	\$ 8,811,928	\$ 25,411,417	\$ 26	\$ 33,123,783	\$ 80,208,697
Receivables (net of allowance)						
Taxes	4,409,295	921,342	1,191,653	—	1,462,221	7,984,511
Accounts and other	981,209	—	—	—	38,927	1,020,136
Interest	16,173	9,023	25,417	—	16,907	67,520
Due from other funds	2,464,120	—	1,034,771	—	3,341,537	6,840,428
Due from other governments	444,885	—	—	—	224,174	669,059
Other assets	15,749	—	—	—	917	16,666
Restricted assets						
Cash and investments	—	—	—	2,649,314	—	2,649,314
<b>Total Assets</b>	<b>\$21,192,974</b>	<b>\$ 9,742,293</b>	<b>\$ 27,663,258</b>	<b>\$ 2,649,340</b>	<b>\$ 38,208,466</b>	<b>\$ 99,456,331</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 874,582	\$ 265	\$ 401,626	\$ —	\$ 3,532,506	\$ 4,808,979
Payroll liabilities	1,569,294	—	—	—	119,584	1,688,878
Payable from restricted	526,491	—	—	—	911,680	1,438,171
Accrued interest payable	—	—	2,967	6	3,690	6,663
Due to other funds	1,537	—	—	3,839,275	1,521,974	5,362,786
<b>Total Liabilities</b>	<b>2,971,904</b>	<b>265</b>	<b>404,593</b>	<b>3,839,281</b>	<b>6,089,434</b>	<b>13,305,477</b>
<b>Deferred Inflows Of Resources</b>						
Property tax	901,289	594,936	—	—	172,528	1,668,753
Other	—	—	—	—	10,191	10,191
<b>Total Deferred Inflows Of Resources</b>	<b>901,289</b>	<b>594,936</b>	<b>—</b>	<b>—</b>	<b>182,719</b>	<b>1,678,944</b>
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Advances to other funds	1,926,540	—	—	—	—	1,926,540
<b>Restricted</b>						
Bridges, streets and signals	—	—	27,258,665	—	11,796,206	39,054,871
Economic development	—	—	—	—	4,823,456	4,823,456
Law enforcement	—	—	—	—	312,709	312,709
Debt service reserve	—	9,147,092	—	—	—	9,147,092
Other capital projects	—	—	—	—	6,794,373	6,794,373
<b>Committed</b>						
Bridges, streets and signals	—	—	—	—	164,051	164,051
Landfill care	—	—	—	—	4,555,141	4,555,141
Cemetery care	—	—	—	—	1,214,295	1,214,295
Other capital projects	—	—	—	—	11,518	11,518
<b>Assigned</b>						
Parks and recreation	—	—	—	—	2,800,151	2,800,151
Economic development	—	—	—	—	76,842	76,842
Other capital projects	—	—	—	—	189,788	189,788
Unassigned	15,393,241	—	—	(1,189,941)	(802,217)	13,401,083
<b>Total Fund Balances</b>	<b>17,319,781</b>	<b>9,147,092</b>	<b>27,258,665</b>	<b>(1,189,941)</b>	<b>31,936,313</b>	<b>84,471,910</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$21,192,974</b>	<b>\$ 9,742,293</b>	<b>\$ 27,663,258</b>	<b>\$ 2,649,340</b>	<b>\$ 38,208,466</b>	<b>\$ 99,456,331</b>

# CITY OF LEE'S SUMMIT, MISSOURI

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION June 30, 2014

**Total Fund Balance - Governmental Funds** \$ 84,471,910

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Governmental capital assets	558,289,416
Less: Accumulated depreciation	(121,932,437)

Some of the City's taxes will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

1,678,944

Interest on long-term debt is not accrued in the governmental funds but rather is recognized as an expenditure when due.

(713,062)

The assets and liabilities of internal service funds are included in the governmental activities in the Statement of Net Position.

17,080,297

Some liabilities, such as compensated absences and bonds payable (net of unamortized discounts), are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.

Compensated absences	(3,934,058)
Net pension obligation	(526,680)
Bonds payable	(73,210,000)
Unamortized discounts	570,632
Unamortized premiums	(3,787,310)
Deferred amount on refunding	132,242
Other post employment benefit liability	(1,635,120)

**Total Net Position - Governmental Activities** \$ 456,484,774

**CITY OF LEE'S SUMMIT, MISSOURI**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2014**

	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Improve- ment Sales Tax</b>	<b>Blue Parkway And Colbern Road CID</b>	<b>Other Govern- mental Funds</b>	<b>Total Govern- mental Funds</b>
<b>Revenues</b>						
Taxes						
Property	\$ 18,111,944	\$ 7,894,182	\$ —	\$ —	\$ 7,624,883	\$ 33,631,009
Sales	13,584,137	3,179,966	6,790,655	—	7,951,568	31,506,326
Franchise	14,083,783	—	—	—	—	14,083,783
License	—	—	—	—	593,724	593,724
Bed	—	—	—	—	342,603	342,603
Motor vehicle	3,397,313	—	—	—	—	3,397,313
Other tax	351,126	15,174	—	—	5,267	371,567
Fines and forfeitures	1,323,206	62,163	—	—	43,768	1,429,137
Licenses and permits	1,757,827	—	—	—	—	1,757,827
Intergovernmental	791,849	—	—	—	1,106,412	1,898,261
Charges for services	3,648,402	—	—	—	3,034,598	6,683,000
Investment earnings	68,363	28,512	94,308	334	84,760	276,277
Other	1,825,778	4,270	—	—	718,431	2,548,479
<b>Total Revenues</b>	<b>58,943,728</b>	<b>11,184,267</b>	<b>6,884,963</b>	<b>334</b>	<b>21,506,014</b>	<b>98,519,306</b>
<b>Expenditures</b>						
Current						
General government	11,039,856	—	—	—	689,119	11,728,975
Public safety	34,361,768	—	—	—	—	34,361,768
Public works and streets	10,761,292	—	—	—	—	10,761,292
Community development	894,521	—	—	—	—	894,521
Parks and recreation	—	—	—	—	5,880,029	5,880,029
Debt service						
Principal	—	7,570,000	—	—	1,175,000	8,745,000
Interest and other charges	—	2,129,795	—	5	1,377,020	3,506,820
Capital outlay	—	—	4,339,024	945,736	30,353,297	35,638,057
<b>Total Expenditures</b>	<b>57,057,437</b>	<b>9,699,795</b>	<b>4,339,024</b>	<b>945,741</b>	<b>39,474,465</b>	<b>111,516,462</b>
<b>Excess (Deficiency) Of</b>						
<b>Revenues Over</b>						
<b>Expenditures</b>	1,886,291	1,484,472	2,545,939	(945,407)	(17,968,451)	(12,997,156)
<b>Other Financing Sources (Uses)</b>						
Issuance of bonds	—	82,461	—	—	6,757,539	6,840,000
Premium on issuance of bonds	—	—	—	—	654,643	654,643
Transfers in	2,054,720	544	—	—	1,619,613	3,674,877
Transfers out	(1,475,167)	(1,375,000)	—	—	(482,966)	(3,333,133)
<b>Total Other Financing Sources (Uses)</b>	<b>579,553</b>	<b>(1,291,995)</b>	<b>—</b>	<b>—</b>	<b>8,548,829</b>	<b>7,836,387</b>
<b>Net Change In Fund Balances</b>	<b>2,465,844</b>	<b>192,477</b>	<b>2,545,939</b>	<b>(945,407)</b>	<b>(9,419,622)</b>	<b>(5,160,769)</b>
<b>Fund Balances - Beginning</b>	<b>14,853,937</b>	<b>8,954,615</b>	<b>24,712,726</b>	<b>(244,534)</b>	<b>41,355,935</b>	<b>89,632,679</b>
<b>Fund Balances - Ending</b>	<b>\$ 17,319,781</b>	<b>\$ 9,147,092</b>	<b>\$ 27,258,665</b>	<b>\$ (1,189,941)</b>	<b>\$ 31,936,313</b>	<b>\$ 84,471,910</b>

# CITY OF LEE'S SUMMIT, MISSOURI

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended June 30, 2014

**Net Change In Fund Balances - Total Governmental Funds** \$ (5,160,769)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$10,676,460 in the current period was exceeded by capital outlays over the capitalization threshold totaling \$27,020,087. 16,343,627

Contributions of capital assets are recorded as capital contributions in the Statement of Activities. Contributions primarily represent infrastructure assets. 2,460,051

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 89,679

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the net effect of these differences in the treatment of long-term debt and related items:

Issuance of bonds	(6,840,000)
Repayment of principal	8,745,000
Bond discount amortization	(43,329)
Bond premium	(654,643)
Bond premium amortization	432,519
Deferred amount on refunding	(14,694)
Accrued interest	(38,986)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Other post employment benefits	(238,782)
Compensated absences	(205,518)
Net pension obligation	5,813

Internal service funds are used by management to charge the costs of certain activities internally to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (739,007)

**Change In Net Position Of Governmental Activities** \$ 14,140,961

# CITY OF LEE'S SUMMIT, MISSOURI

## STATEMENT OF NET POSITION – PROPRIETARY FUNDS

June 30, 2014

	Enterprise Funds					
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)	Total	Internal Service Funds
<b>Assets</b>						
Current assets						
Cash and investments	\$ 40,768,288	\$ 2,599,793	\$ 162,751	\$ 213,647	\$ 43,744,479	\$ 7,445,110
Receivables (net of allowance)						
Accounts and other	2,154,034	267,586	90,848	—	2,512,468	17,012
Unbilled accounts	1,712,285	—	—	—	1,712,285	—
Interest	41,872	5,667	847	611	48,997	10,044
Due from other funds	1,691,190	—	—	—	1,691,190	—
Due from other governments	—	—	80,705	—	80,705	—
Inventories	342,597	—	71,475	—	414,072	150,008
Prepaid expenses	—	—	3,396	—	3,396	5,790
Other assets	5,521	—	—	—	5,521	—
<b>Total current assets</b>	<b>46,715,787</b>	<b>2,873,046</b>	<b>410,022</b>	<b>214,258</b>	<b>50,213,113</b>	<b>7,627,964</b>
Noncurrent assets						
Capital assets						
Nondepreciable	24,036,725	35,722	25,782,257	—	49,854,704	104,250
Depreciable, net	158,901,270	5,282,936	12,787,390	224,373	177,195,969	10,590,954
<b>Total noncurrent assets</b>	<b>182,937,995</b>	<b>5,318,658</b>	<b>38,569,647</b>	<b>224,373</b>	<b>227,050,673</b>	<b>10,695,204</b>
<b>Total Assets</b>	<b>229,653,782</b>	<b>8,191,704</b>	<b>38,979,669</b>	<b>438,631</b>	<b>277,263,786</b>	<b>18,323,168</b>
<b>Deferred Outflows Of Resources</b>						
Deferred amount of refunding	219,995	—	—	—	219,995	—
<b>Liabilities</b>						
Current liabilities						
Accounts payable	1,977,858	154,095	406,492	45,554	2,583,999	895,404
Salaries payable	98,897	24,769	10,622	39,229	173,517	76,240
Accrued interest payable	179,837	3,627	12,610	—	196,074	—
Due to other funds	—	—	3,168,832	—	3,168,832	—
Unearned revenue	—	—	25,906	—	25,906	—
Compensated absences	10,208	2,131	1,579	20,690	34,608	26,305
Current portion of long-term debt - bonds	880,000	—	—	—	880,000	—
Payable from restricted assets						
Customer deposit	418,861	—	33,668	—	452,529	—
<b>Total current liabilities</b>	<b>3,565,661</b>	<b>184,622</b>	<b>3,659,709</b>	<b>105,473</b>	<b>7,515,465</b>	<b>997,949</b>
Noncurrent liabilities						
Revenue bonds	5,540,237	—	—	—	5,540,237	—
Compensated absences	198,402	61,275	24,718	11,833	296,228	146,703
Closure and post-closure liability	—	8,968,288	—	—	8,968,288	—
Other post employment benefits	157,985	27,145	13,853	—	198,983	98,219
<b>Total noncurrent liabilities</b>	<b>5,896,624</b>	<b>9,056,708</b>	<b>38,571</b>	<b>11,833</b>	<b>15,003,736</b>	<b>244,922</b>
<b>Total Liabilities</b>	<b>9,462,285</b>	<b>9,241,330</b>	<b>3,698,280</b>	<b>117,306</b>	<b>22,519,201</b>	<b>1,242,871</b>
<b>Net Position</b>						
Net investment in capital assets	176,517,758	5,318,658	38,569,647	224,373	220,630,436	10,695,204
Restricted for debt service	794,000	—	—	—	794,000	—
Restricted for capital projects	32,425,406	54,355	—	—	32,479,761	—
Unrestricted	10,674,328	(6,422,639)	(3,288,258)	96,952	1,060,383	6,385,093
<b>Total Net Position</b>	<b>\$ 220,411,492</b>	<b>\$ (1,049,626)</b>	<b>\$ 35,281,389</b>	<b>\$ 321,325</b>	<b>\$ 254,964,580</b>	<b>\$ 17,080,297</b>



**CITY OF LEE'S SUMMIT, MISSOURI**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
For The Year Ended June 30, 2014**

	Enterprise Funds					Total	Internal Service Funds
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)			
<b>Operating Revenues</b>							
Charges for services	\$ 33,102,036	\$ 2,910,849	\$ 525,680	\$ 926,332	\$ 37,464,897	\$ 6,955,643	
Material and fuel sales	96,023	—	853,890	—	949,913	—	
Other	159,529	32,121	24,375	120,222	336,247	24,448	
<b>Total Operating Revenues</b>	<b>33,357,588</b>	<b>2,942,970</b>	<b>1,403,945</b>	<b>1,046,554</b>	<b>38,751,057</b>	<b>6,980,091</b>	
<b>Operating Expenses</b>							
Salaries, wages and employee benefits	3,643,089	946,366	340,509	581,536	5,511,500	2,824,981	
Water purchases	7,588,359	—	—	—	7,588,359	—	
Utilities	526,964	71,984	57,843	55,283	712,074	294,822	
Repairs and maintenance	364,531	187,108	86,439	21,317	659,395	459,928	
Sewer services	6,547,254	—	—	—	6,547,254	—	
Fuels and lubricants	127,652	227,835	693,954	—	1,049,441	6,155	
Depreciation	4,305,536	301,930	553,591	42,813	5,203,870	2,646,863	
Interdepartment charges	499,058	209,840	83,134	14,593	806,625	415,571	
Miscellaneous	2,140,512	928,280	172,971	285,084	3,526,847	1,511,789	
<b>Total Operating Expenses</b>	<b>25,742,955</b>	<b>2,873,343</b>	<b>1,988,441</b>	<b>1,000,626</b>	<b>31,605,365</b>	<b>8,160,109</b>	
<b>Operating Income (Loss)</b>	<b>7,614,633</b>	<b>69,627</b>	<b>(584,496)</b>	<b>45,928</b>	<b>7,145,692</b>	<b>(1,180,018)</b>	
<b>Nonoperating Revenues (Expenses)</b>							
Interest income	150,363	32,961	—	—	183,324	37,812	
Interest expense	(128,395)	—	(23,701)	(40,800)	(192,896)	—	
Gain on disposal of capital assets	—	—	—	—	—	304,521	
<b>Total Nonoperating Revenues (Expenses)</b>	<b>21,968</b>	<b>32,961</b>	<b>(23,701)</b>	<b>(40,800)</b>	<b>(9,572)</b>	<b>342,333</b>	
<b>Income Before Contributions And Transfers</b>	<b>7,636,601</b>	<b>102,588</b>	<b>(608,197)</b>	<b>5,128</b>	<b>7,136,120</b>	<b>(837,685)</b>	
<b>Capital Grants and Contributions</b>	<b>814,767</b>	<b>—</b>	<b>3,530,270</b>	<b>—</b>	<b>4,345,037</b>	<b>—</b>	
<b>Transfers In</b>	<b>—</b>	<b>—</b>	<b>758,072</b>	<b>55,611</b>	<b>813,683</b>	<b>229,446</b>	
<b>Transfers Out</b>	<b>(879,496)</b>	<b>(291,668)</b>	<b>(82,941)</b>	<b>—</b>	<b>(1,254,105)</b>	<b>(130,768)</b>	
<b>Change In Net Position</b>	<b>7,571,872</b>	<b>(189,080)</b>	<b>3,597,204</b>	<b>60,739</b>	<b>11,040,735</b>	<b>(739,007)</b>	
<b>Total Net Position - Beginning</b>	<b>212,839,620</b>	<b>(860,546)</b>	<b>31,684,185</b>	<b>260,586</b>	<b>243,923,845</b>	<b>17,819,304</b>	
<b>Total Net Position - Ending</b>	<b>\$ 220,411,492</b>	<b>\$ (1,049,626)</b>	<b>\$ 35,281,389</b>	<b>\$ 321,325</b>	<b>\$ 254,964,580</b>	<b>\$ 17,080,297</b>	

# CITY OF LEE'S SUMMIT, MISSOURI

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS For The Year Ended June 30, 2014

	Enterprise Funds					
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)	Total	Internal Service Funds
<b>Cash Flows From Operating Activities</b>						
Cash received from customers	\$ 32,517,476	\$ 2,917,836	\$ 1,385,890	\$ 1,046,554	\$ 37,867,756	\$ 6,978,201
Cash paid to suppliers	(17,273,448)	(874,360)	(642,399)	(376,693)	(19,166,900)	(2,739,443)
Cash paid to employees	(3,593,312)	(925,965)	(331,540)	(578,832)	(5,429,649)	(2,797,871)
Cash received (paid) for interdepartment charges	(499,058)	(209,840)	1,260,691	(14,593)	537,200	—
<b>Net Cash Provided By Operating Activities</b>	<b>11,151,658</b>	<b>907,671</b>	<b>1,672,642</b>	<b>76,436</b>	<b>13,808,407</b>	<b>1,440,887</b>
<b>Cash Flows From Noncapital Financing Activities</b>						
Transfers in	—	—	758,072	55,611	813,683	229,446
Transfers out	(879,496)	(291,668)	(82,941)	—	(1,254,105)	(130,768)
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<b>(879,496)</b>	<b>(291,668)</b>	<b>675,131</b>	<b>55,611</b>	<b>(440,422)</b>	<b>98,678</b>
<b>Cash Flows From Capital And Related Financing Activities</b>						
Principal payments on long-term debt	(905,000)	—	(495,000)	—	(1,400,000)	—
Interest paid on long-term debt obligations	(132,715)	(7,008)	(16,464)	(41,188)	(197,375)	—
Capital grants	—	—	3,570,662	—	3,570,662	—
Additions to capital assets	(5,374,897)	(95,629)	(5,404,533)	(40,801)	(10,915,860)	(2,520,209)
Proceeds from sale of capital assets	—	—	—	—	—	330,269
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(6,412,612)</b>	<b>(102,637)</b>	<b>(2,345,335)</b>	<b>(81,989)</b>	<b>(8,942,573)</b>	<b>(2,189,940)</b>
<b>Cash Flows Provided By Investing Activities</b>						
Interest received	220,873	44,089	—	—	264,962	53,961
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>4,080,423</b>	<b>557,455</b>	<b>2,438</b>	<b>50,058</b>	<b>4,690,374</b>	<b>(596,414)</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>36,687,865</b>	<b>2,042,338</b>	<b>160,313</b>	<b>163,589</b>	<b>39,054,105</b>	<b>8,041,524</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 40,768,288</b>	<b>\$ 2,599,793</b>	<b>\$ 162,751</b>	<b>\$ 213,647</b>	<b>\$ 43,744,479</b>	<b>\$ 7,445,110</b>
Operating income (loss)	\$ 7,614,633	\$ 69,627	\$ (584,496)	\$ 45,928	\$ 7,145,692	\$ (1,180,018)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	4,305,536	301,930	553,591	42,813	5,203,870	2,646,863
Changes in assets and liabilities:						
(Increase) decrease in inventories	(90,702)	—	1,607	—	(89,095)	3,693
Increase in accounts receivable	(328,798)	(25,134)	(19,685)	—	(373,617)	(1,890)
Increase in due from other funds	(86,786)	—	—	—	(86,786)	—
Decrease in unbilled revenue	(523,964)	—	—	—	(523,964)	—
(Increase) decrease in prepaid expenses	—	—	1,007	—	1,007	(1,755)
Decrease in other assets	2,483	—	—	—	2,483	931
Increase (decrease) in accounts payable	196,829	47,256	366,194	(15,009)	595,270	(54,047)
Increase in salaries and wages payable	13,068	3,301	3,343	2,877	22,589	9,550
Increase in due to other funds	—	—	1,343,825	—	1,343,825	—
Increase in customer deposits	12,650	—	1,630	—	14,280	—
Increase in accrued landfill closure/postclosure care costs	—	493,591	—	—	493,591	—
Increase in other post employment benefits	23,045	5,393	1,673	—	30,111	14,533
Increase (decrease) in accrued compensated absences	13,664	11,707	3,953	(173)	29,151	3,027
<b>Total adjustments</b>	<b>3,537,025</b>	<b>838,044</b>	<b>2,257,138</b>	<b>30,508</b>	<b>6,662,715</b>	<b>2,620,905</b>
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 11,151,658</b>	<b>\$ 907,671</b>	<b>\$ 1,672,642</b>	<b>\$ 76,436</b>	<b>\$ 13,808,407</b>	<b>\$ 1,440,887</b>

### Supplemental Disclosure Of Cash Flow Information

The City has the following noncash transactions: \$814,767 in water and sewer lines were contributed during fiscal year 2014.

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**CITY OF LEE'S SUMMIT, MISSOURI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2014**

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**1. Summary Of Significant Accounting Policies**

The City of Lee's Summit, Missouri (the City) was incorporated in 1868 and covers an area of approximately 64 square miles in Jackson and Cass Counties, Missouri. Lee's Summit is a charter city operating under an elected Mayor-City Council form of government. The City Manager is the chief administrative officer of the City. The City provides services to more than 93,092 residents in many areas, including law enforcement, fire protection, water and sewer services, community enrichment and development and various social services. Educational services are provided by separate governmental entities.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The following represents the more significant accounting and reporting policies and practices of the City.

**Reporting Entity**

The City is governed by an elected eight-member council and a mayor. As required by GAAP, these financial statements present the City of Lee's Summit (the primary government). The following component unit is included in the City's reporting entity because of the significance of its operational and financial relationship with the City.

**Blended Component Unit**

The following legally separate entity is a component unit that is, in substance, a part of the City's general operations. This component unit provides services almost entirely to the primary government and provides services that almost exclusively benefit the primary government. Data from this component unit is combined with data of the primary government for financial reporting purposes.

The Lee's Summit, Missouri Municipal Building Authority (the Authority) is a not-for-profit corporation incorporated under the laws of the State of Missouri on August 13, 1994. The Authority is governed by a three-member board appointed by the City Council. The Authority was established to promote, acquire, develop, construct, own and lease facilities within the City that are approved by the City Council for the purpose of promoting the economic, social, industrial, cultural and commercial growth and for the general benefit of the City and its residents. Administration of its various programs is performed by City employees. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings. Separate financial statements for the Authority are not prepared.

**Basis Of Presentation**

The City's basic financial statements include both the government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major and, in the aggregate, nonmajor funds).

**Government-Wide Financial Statements:** The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. As a general rule, interfund activity has been eliminated from these statements to minimize the duplication of internal activities, with the exception of interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services to external parties for support.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** Following the government-wide financial statements are separate fund financial statements for the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

Since the accounting differs significantly between the governmental funds and the governmental activities of the government-wide financial statements, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances identifying categories that required conversion from the fund statements.

**Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are two categories of funds used by the City, governmental and proprietary.

## **CITY OF LEE'S SUMMIT, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

**Governmental Funds:** Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's major governmental funds:

**General Fund** - This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Debt Service** - This fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term obligations other than obligations payable from the operations of Proprietary Fund Types.

**Capital Improvement Sales Tax** - Established to account for construction of road projects related to the renewal of a 1/2 - cent sales tax by the voters in 2007.

**Blue Parkway And Colbern Road CID Fund** - Capital projects fund established to account for costs associated with construction of infrastructure in the Blue Parkway and Colbern Road Community Improvement District.

The other governmental funds of the City are considered nonmajor. They are special revenue and capital project funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Proprietary Funds:** Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus used is the economic resources measurement focus. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports the following major enterprise funds:

**Combined Waterworks And Sewerage System** - This fund accounts for the provision of water and sewer services to the general public. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service, and billing and collection.

## **CITY OF LEE'S SUMMIT, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

**Sanitary Landfill** - This fund accounts for all assets, liabilities, revenues and expenses relating to the operation of the City-owned sanitary landfill.

**Airport** - Established to account for all assets, liabilities, and revenues and expenses relating to the operation of the City-owned airport.

The City reports the following nonmajor enterprise and internal service fund types:

**Recreation Center** - Established to account for all assets, liabilities, and revenues and expenses related to the operation of the City owned recreation center at Harris Park.

**Internal Service Funds** - These funds account for the costs of the Central Vehicles, Information Technology Services, Self-Insurance Funds, and the Building and Equipment Replacement Fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

### **Measurement Focus**

**Government-Wide Financial Statements:** The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the City are included on the statement of net position.

**Fund Financial Statements:** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, certain deferred outflows, current liabilities and certain deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

## **CITY OF LEE'S SUMMIT, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

#### **Basis Of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows, and in the presentation of expenses versus expenditures.

#### **Revenues - Exchange And Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales taxes, franchise taxes, interest, grants and rentals.

#### **Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

## CITY OF LEE'S SUMMIT, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### **Cash, Cash Equivalents And Investments**

Investments with an original maturity date of three months or less are considered to be cash equivalents. Interest earned is allocated to individual funds based on their proportionate share of the pool. Missouri state statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of state and local government entities, certificates of deposit and repurchase agreements.

Investments for the City are reported at fair value based on quoted market prices.

#### **Property Tax Revenue Recognition**

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Property tax revenue becomes available within the fiscal year of the levy. Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as deferred inflows within the governmental fund financial statements.

The City's property taxes are levied each November 1 based on the assessed value as of the prior January 1 for all real property and personal property located within the City. Property taxes are billed immediately following the levy date and considered delinquent after December 31 following the levy date. The City does not file liens, as this is performed by the counties. Assessed values are established by county assessors, subject to review by the counties' Boards of Equalization.

The City is permitted by Missouri state statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt.

The tax levy, per \$100 assessed valuation, for the City during the fiscal year was as follows:

General	\$ 0.9213
Park board	0.1630
Debt service	<u>0.4697</u>
Total tax levy	<u><u>\$ 1.5540</u></u>



**Inventories And Prepaid Items**

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method or market. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid expenses represent the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized over the policy periods.

**Restricted Assets**

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Capital Assets**

Capital assets include land, buildings, improvements, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements and within the proprietary funds within the fund financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Infrastructure, such as streets, intersections and storm sewers, has been capitalized in the government-wide financial statements. The City elected to depreciate its infrastructure assets. Infrastructure assets not completed by year end have been reported as construction in progress.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities and proprietary funds is included as part of the capitalized value of the assets constructed. There was no interest capitalized during the year ended June 30, 2014.

## CITY OF LEE'S SUMMIT, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

Property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated lives:

Primary government:	
Buildings	20 to 40 years
Improvements other than buildings	5 to 50 years
Sewer plant and collection system	35 to 75 years
Machinery and equipment	3 to 25 years
Infrastructure	15 to 50 years

### **Deferred Outflows Of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred amounts on refunding incurred as a result of debt refunding have been deferred and are being amortized over the life of the bonds using the straight-line method.

### **Compensated Absences**

All accumulated vacation, scheduled holiday leave and accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the government-wide financial statements as a long-term liability as it is expected to be paid from future resources. Upon leaving employment of the City, an employee is entitled to payment for accrued vacation. Only vested employees are paid sick leave upon retirement or resignation. A liability for these amounts is reported in the governmental funds only if the amounts due at year end have matured.

### **Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the statement of net position as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Inflows Of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

**Unbilled Revenue**

Both the City's Waterworks and Sewerage System bill their customers on a cyclical basis and, therefore, record estimated unbilled revenues at year end.

**Interfund And Related Party Transactions**

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government.

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts, if applicable.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported on interfund activity and balances in the funds have been eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**Net Position**

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

***Net Investment In Capital Assets*** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings, that are attributable to the acquisition, construction, or improvement of those assets.

## CITY OF LEE'S SUMMIT, MISSOURI

### Notes To Basic Financial Statements (*Continued*)

***Restricted Net Position*** - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

***Unrestricted Net Position*** - This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental financial statements, fund balances are displayed in five components as follows:

***Nonspendable*** - assets that are not available in a spendable form such as inventory, prepaid expenditures and long-term receivables, not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

***Restricted*** - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

***Committed*** - amounts constrained on use imposed by formal action of the government’s highest level of decision making authority.

***Assigned*** - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

***Unassigned*** - all other resources; the remaining fund balance after non-spendable, restrictions, commitments and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative Fund Balances are always reported as Unassigned, no matter which fund the deficit occurs in.

### Fund Balance Classification Policies and Procedures

For committed fund balance, the City’s highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is through a bill or resolution passed by the City Council. Committed fund balances do not lapse at year end.

For assigned fund balance, the City Council is authorized to assign amounts to a specific purpose through their expressed written intent. This authorization is also delegated by the City Council to the City Manager. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by committed, assigned and lastly unassigned.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

### **Capital Contributions**

Capital contributions represent government grants and other aid used to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

### **Use Of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

## **2. Deposits And Investments**

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of deposits, repurchase agreements and other investments.

The foremost objective of the investment program is safety of principal. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. The City's investment policy states that the City will minimize the risk that the market value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in short-term fixed securities. Unless matched to a specific cost or a reserve fund, the City will not directly invest in securities maturing more than five years from the date of purchase.

## CITY OF LEE'S SUMMIT, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

The fair values, as determined by quoted market prices and the maturities, of the City's investments at June 30, 2014 are as follows:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 To 5 Years</u>
Certificates of deposit	\$ 27,946,000	\$ 7,192,000	\$ 20,754,000
U.S. Treasury securities	75,511,643	34,284,963	41,226,680
Municipal bonds	16,005,873	5,357,558	10,648,315
Repurchase agreements	8,841,000	8,841,000	—
Money market funds	7,941,154	7,941,154	—
	<u>136,245,670</u>	<u>\$ 63,616,675</u>	<u>\$ 72,628,995</u>
Unrestricted cash deposits per books	<u>(2,198,070)</u>		
Cash and investments per Statement of net position	<u>\$ 134,047,600</u>		

### **Custodial Credit Risk**

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

The City's policy requires all deposits placed in financial institutions to be at least 105% collateralized with securities that are acceptable to the Finance Director of the City and in accordance with state statutes. As of June 30, 2014, the City's deposits were properly collateralized.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All trades, where applicable, will be executed by delivery vs. payment to ensure that fixed income securities are deposited in eligible financial institutions prior to the release of funds. All fixed income securities are perfected in the name, or for the account of the City, and are held by a third-party custodian as evidenced by safekeeping receipts. All of the City's investments in repurchase agreements are held by the investment's counterparty, not in the name of the City.

### **Credit Risk**

Credit risk is the risk that the City will not recover its investment due to the ability of the counterparty to fulfill their obligation. The city minimizes credit risk by prequalifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business.

## CITY OF LEE'S SUMMIT, MISSOURI

### Notes To Basic Financial Statements (Continued)

In addition, the City's investment policy allows for the following investments types: U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value; Certificates of deposit and other evidences of deposit at financial institutions; Investment-grade obligations of the states of Missouri or Kansas that are "A" rated or better; Repurchase agreements whose underlying purchased securities consist of the foregoing; Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and Local Government Investment Pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

Investment in derivatives of the above instruments or leveraging shall be prohibited per Missouri Revised Statutes.

	Fair Value	AAA/Aaa	AA/Aa	A/A	SP1	Unrated
Certificates of deposit	\$ 27,946,000	\$ —	\$ —	\$ —	\$ —	\$ 27,946,000
U.S. Treasury securities*	75,511,643	—	—	—	—	75,511,643
Municipal bonds	16,005,873	178,313	8,368,695	1,676,435	4,987,655	794,775
Repurchase agreements	8,841,000	8,841,000	—	—	—	—
Money market funds	7,941,154	—	—	—	—	7,941,154
<b>Total</b>	<b>\$ 136,245,670</b>	<b>\$ 9,019,313</b>	<b>\$ 8,368,695</b>	<b>\$ 1,676,435</b>	<b>\$ 4,987,655</b>	<b>\$ 112,193,572</b>

\* U.S. Treasury securities are explicitly guaranteed by the U.S. Government and, therefore, do not require a rating.

### Concentration Risk

To the extent possible, investments shall be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities). The investment parameters are as follows:

Investment Type	Minimum Allocation	Maximum Allocation
General time deposits	0%	30%
U.S. Treasury Securities having principal and interest guaranteed by the U.S. Government	15%	100%
U.S. Government Agencies and Governmental Sponsored Enterprises	0%	75%
U.S. Government Agency Callable Securities	0%	15%
Missouri/Kansas State or Municipal Debt	0%	25%

Investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of the total investments of the City are as follows:

Issuer	Investment Type	Reported Amount
Repurchase Agreements	***	\$ 8,841,000

\*\*\* Represents collateralized repurchase agreements that are backed by collateral comprised of U.S. Agency Securities.

## CITY OF LEE'S SUMMIT, MISSOURI

### Notes To Basic Financial Statements (Continued)

#### Restricted Cash And Investments

During fiscal year 2012, the City entered into an escrow agreement with the Unity School of Christianity totaling \$3,832,075 to be spent on public improvements within the recently annexed Unity Village property. As of June 30, 2012, the City deposited \$3,832,075 into the escrow account for the first phase of the construction project. At June 30, 2014, \$2,649,314 of this amount remained in the escrow account. This amount is restricted and can only be used for construction expenses related to Unity Village property public improvements.

### 3. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Governmental Activities			
	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Nondepreciable capital assets:				
Land	\$ 7,997,075	\$ —	\$ —	\$ 7,997,075
Construction in progress	113,869,805	26,792,534	21,449,229	119,213,110
Total nondepreciable capital assets	121,866,880	26,792,534	21,449,229	127,210,185
Depreciable capital assets:				
Buildings	65,110,751	—	—	65,110,751
Improvement other than buildings	31,791,987	345,396	—	32,137,383
Furniture, fixtures and equipment	35,213,158	2,402,366	1,189,126	36,426,398
Infrastructure	304,530,009	23,909,281	—	328,439,290
Total depreciable capital assets	436,645,905	26,657,043	1,189,126	462,113,822
Less: Accumulated depreciation				
Buildings	20,365,264	2,500,214	—	22,865,478
Improvement other than buildings	12,653,013	1,732,007	—	14,385,020
Furniture, fixtures and equipment	24,063,644	2,805,008	1,163,378	25,705,274
Infrastructure	73,029,958	6,286,094	—	79,316,052
Total accumulated depreciation	130,111,879	13,323,323	1,163,378	142,271,824
Total depreciable capital assets, net	306,534,026	13,333,720	25,748	319,841,998
Total governmental activities capital assets, net	\$ 428,400,906	\$ 40,126,254	\$ 21,474,977	\$ 447,052,183



**CITY OF LEE'S SUMMIT, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

Depreciation expense was charged to functions as follows:

General government	\$ 885,986
Public safety	1,021,645
Public works and streets	6,596,772
Parks and recreation	2,172,057
Capital assets held by the government's Internal Service Funds charged to the various functions based on their usage of the assets	2,646,863
	\$ 13,323,323

**Business-Type Activities**

	<b>Balance June 30, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2014</b>
Nondepreciable capital assets:				
Land	\$ 19,625,415	\$ —	\$ —	\$ 19,625,415
Construction in progress	19,874,198	10,727,140	372,049	30,229,289
Total nondepreciable capital assets	39,499,613	10,727,140	372,049	49,854,704
Depreciable capital assets:				
Structures and improvements	260,715,172	1,232,368	—	261,947,540
Furniture, fixtures and equipment	3,384,209	143,168	—	3,527,377
Total depreciable capital assets	264,099,381	1,375,536	—	265,474,917
Less: Accumulated depreciation				
Structures and improvements	80,243,277	5,089,144	—	85,332,421
Furniture, fixtures and equipment	2,831,801	114,726	—	2,946,527
Total accumulated depreciation	83,075,078	5,203,870	—	88,278,948
Total depreciable capital assets, net	181,024,303	(3,828,334)	—	177,195,969
Total business-type activities capital assets, net	\$ 220,523,916	\$ 6,898,806	\$ 372,049	\$ 227,050,673

Depreciation expense was charged to functions as follows:

Combined waterworks and sewerage system	\$ 4,305,536
Sanitary landfill	301,930
Airport	553,591
Nonmajor enterprise funds	42,813
	\$ 5,203,870

**CITY OF LEE'S SUMMIT, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

**4. Long-Term Obligations**

Debt payable at June 30, 2014 is composed of the following:

	<b>Interest Rates</b>	<b>Maturity Date</b>	<b>Balance</b>
<b>Governmental Activities</b>			
General obligation bonds:			
Improvement bonds – 2011	3.00	4/1/2017	\$ 6,600,000
Improvement bonds – 2013A	2.00 - 3.00	4/1/2028	20,040,000
Refunding (2003) – 2013	3.00 - 4.00	4/1/2023	12,550,000
Improvement bonds – 2013C	2.00 - 5.00	4/1/2021	<u>5,265,000</u>
Total general obligation bonds			<u>\$ 44,455,000</u>
Certificates of participation:			
City park – 2006	4.00 – 4.30	7/1/2018	<u>\$ 8,985,000</u>
TIF bonds:			
Summit fair – 2011	5.625 – 7.25	4/1/2030	<u>\$ 19,770,000</u>
<b>Business-Type Activities</b>			
Combined Waterworks and Sewerage Fund:			
Revenue bonds:			
Waterworks – 2012	1.00-2.00	7/1/2021	<u>\$ 6,170,000</u>

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2014:

<b>Governmental Activities</b>	<b>Balance June 30, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2014</b>	<b>Amounts Due Within One Year</b>
General obligation bonds	\$ 43,815,000	\$ 6,840,000	\$ (6,200,000)	\$ 44,455,000	\$ 5,035,000
Add: Bond premium	3,565,186	654,643	(432,519)	3,787,310	—
Total general obligation bonds	<u>47,380,186</u>	<u>7,494,643</u>	<u>(6,632,519)</u>	<u>48,242,310</u>	<u>5,035,000</u>
Certificates of participation	10,355,000	—	(1,370,000)	8,985,000	2,330,000
Less: Bond discount	(48,761)	—	9,752	(39,009)	—
Total certificates of participation	<u>10,306,239</u>	<u>—</u>	<u>(1,360,248)</u>	<u>8,945,991</u>	<u>2,330,000</u>
TIF bonds	20,945,000	—	(1,175,000)	19,770,000	—
Less: Bond discount	(565,200)	—	33,577	(531,623)	—
Total TIF bonds	<u>20,379,800</u>	<u>—</u>	<u>(1,141,423)</u>	<u>19,238,377</u>	<u>—</u>
Accrued compensated absences	3,898,520	506,620	(298,074)	4,107,066	437,713
Net pension obligation	532,493	—	(5,813)	526,680	—
Other post employment benefits	1,480,024	348,315	(95,000)	1,733,339	—
Total governmental activities long-term obligations	<u>\$ 83,977,262</u>	<u>\$ 8,349,578</u>	<u>\$ (9,533,077)</u>	<u>\$ 82,793,763</u>	<u>\$ 7,802,713</u>

**CITY OF LEE'S SUMMIT, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

The total long-term liabilities of \$82,793,763 consist of compensated absences and other post employment benefits of \$173,008 and \$98,219, respectively, related to Internal Service Funds, while the remaining amount of \$82,522,536 is a reconciling item of the Governmental Funds balance sheet to the statement of net position. Compensated absences are primarily liquidated by the general fund.

<b>Business-Type Activities</b>	<b>Balance June 30, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2014</b>	<b>Amounts Due Within One Year</b>
Combined waterworks and sewerage system fund					
Revenue bonds	\$ 7,075,000	\$ —	\$ (905,000)	\$ 6,170,000	\$ 880,000
Add: Bond premium	285,985	—	(35,748)	250,237	—
Total revenue bonds	7,360,985	—	(940,748)	6,420,237	880,000
Compensated absences	194,946	21,919	(8,255)	208,610	10,208
Other post employment benefits	134,940	23,045	—	157,985	—
Total waterworks and sewerage fund	7,690,871	44,964	(949,003)	6,786,832	890,208
Sanitary landfill fund					
Landfill closure/post closure care	8,474,697	493,591	—	8,968,288	—
Compensated absences	51,699	13,689	(1,982)	63,406	2,131
Other post employment benefits	21,752	5,393	—	27,145	—
Total sanitary landfill fund	8,548,148	512,673	(1,982)	9,058,839	2,131
Airport fund					
Certificates of participation	495,000	—	(495,000)	—	—
Less: Bond discount	(4,154)	—	4,154	—	—
Total certificates of participation	490,846	—	(490,846)	—	—
Compensated absences	22,344	4,898	(945)	26,297	1,579
Other post employment benefits	12,180	1,673	—	13,853	—
Total airport fund	525,370	6,571	(491,791)	40,150	1,579
Nonmajor enterprise fund:					
Compensated absences	32,696	1,363	(1,536)	32,523	20,690
Total business-type activities long-term obligations	\$ 16,797,085	\$ 565,571	\$ (1,444,312)	\$ 15,918,344	\$ 914,608

Debt service requirements on long-term debt at June 30, 2014 are as follows:

<b>Year</b>	<b>General Obligation Bonds</b>		<b>Governmental Activities Certificates Of Participation</b>		<b>TIF Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 5,035,000	\$ 1,411,150	\$ 2,330,000	\$ 333,200	\$ —	\$ 1,287,803
2016	4,495,000	1,285,110	2,600,000	228,438	—	1,287,803
2017	4,620,000	1,162,650	2,355,000	123,144	210,000	1,281,897
2018	2,850,000	1,013,550	1,700,000	36,500	1,060,000	1,246,178
2019	2,910,000	936,300	—	—	1,055,000	1,186,694
2020-2024	13,290,000	3,035,750	—	—	4,995,000	5,110,407
2025-2029	11,255,000	854,150	—	—	7,200,000	3,245,983
2030-2034	—	—	—	—	5,250,000	314,288
	\$ 44,455,000	\$ 9,698,660	\$ 8,985,000	\$ 721,282	\$ 19,770,000	\$ 14,961,053

## CITY OF LEE'S SUMMIT, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

<b>Enterprise Funds</b>		
<b>Combined Waterworks And Sewerage System</b>		
<b>Revenue Bonds</b>		
<b>Year</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 880,000	\$ 123,400
2016	900,000	105,800
2017	925,000	87,800
2018	950,000	69,300
2019	980,000	50,300
2020-2024	1,535,000	41,500
	\$ 6,170,000	\$ 478,100

#### **Certificates Of Participation**

The certificates of participation were used to make park and airport improvements and certain expenses related to the delivery of the certificates.

#### **Tax Increment Revenue Bonds (TIF) - Series 2001 And 2011**

The tax increment revenue bonds were issued to finance the cost of certain public improvements in the Summit Woods Crossing and Summit Fair redevelopment area. The debt service on these issues is paid solely from Payments in Lieu of Taxes (PILOTS), Economic Activity Tax Revenues, Special Assessments and monies on deposit in the Debt Service Reserve Fund.

#### **General Obligation Debt Margin**

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not exceeding, in the aggregate, an additional 10% of the assessed value of taxable tangible property for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric, or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

At January 1, 2014, the constitutionally imposed total general obligation debt limit was \$331,688,357, which after reduction for authorized general obligation bonds net of available resources in the Debt Service Fund, provides a general obligation debt margin of \$272,462,549.

**Combined Waterworks And Sewerage Revenue Bonds**

The Waterworks and Sewerage Revenue Bond ordinance requires that the Combined Waterworks and Sewerage System Fund be accounted for in a separate Enterprise Fund. It also requires that, after sufficient current assets have been set aside to operate the system, all remaining monies held in the Combined Waterworks and Sewerage System Fund be segregated and restricted in separate special reserves and accounts. In accordance with the bond ordinance, these bonds are serviced by the Combined Waterworks and Sewerage System Fund operations and are included as a liability of that fund.

Restricted assets of the principal and interest account are to be used for payment of current principal and interest on bonds. Restricted assets of the debt service amount are available to pay principal and interest in the event of a deficiency in the principal and interest account. Restricted assets of the depreciation and replacement account are available to operate, maintain or improve the system, call bonds, or for payment of debt service in the event of a deficiency in other restricted assets.

All required minimum reserve amounts for each revenue bond series have been properly maintained by the City at June 30, 2014. The City is also in compliance with minimum net revenue covenants (as defined in the indenture) at June 30, 2014.

**Bond Issuance**

On October 3, 2013, the City issued a total of \$6,840,000 in General Obligation Bonds Series 2013C to be used for the construction of certain street projects and cultural arts venues. Interest rates range from 2.00 – 5.00 percent and the bond mature through April 2021.

On February 21, 2013, the City issued a total of \$38,100,000 in General Obligation Bonds Series 2013A and Series 2013B. Series 2013A bonds totaling \$24,360,000 with interest rates ranging between 2.00 – 3.00 percent were issued for capital projects. General Obligation Refunding Bonds Series 2013B totaling \$13,740,000 with interest rates ranging between 3.00-4.00 percent were issued to refund \$15,550,000 million of outstanding Series 2003-A bonds with interest rates ranging between 2.00 – 4.75 percent. The net proceeds of \$15,550,000 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Series 2003 bonds. These bonds were paid in full by this escrow agent on April 1, 2013.

## CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

### 5. Construction Commitments

A summary of the City's commitments on uncompleted construction contracts and the amount, which is expected to be funded by federal and state grants, follows:

	<b>Contract Amount</b>	<b>Amount Funded By Grants</b>
Nonmajor Governmental	\$ 655,869	\$ 75,000
Combined Waterworks and Sewerage System	73,416	—
Airport	1,023	—
	<b>\$ 730,308</b>	<b>\$ 75,000</b>

### 6. Interfund Receivables, Payables And Transfers

The composition of interfund balances as of June 30, 2014 is as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General Fund	Nonmajor Governmental	\$ 410,737
General Fund	Blue Parkway & Colbern Road CID	7,200
General Fund	Airport	2,046,183
Capital Improvement Sales Tax	Nonmajor Governmental	514,742
Capital Improvement Sales Tax	Airport	520,029
Nonmajor Governmental	Blue Parkway/Colbern CID	3,340,000
Nonmajor Governmental	General Fund	1,537
Combined Waterworks and Sewerage System	Nonmajor Governmental	596,495
Combined Waterworks and Sewerage System	Blue Parkway/Colbern CID	492,075
Combined Waterworks and Sewerage System	Airport	602,620
<b>Total</b>		<b>\$ 8,531,618</b>

The \$2,046,183 payable from the Airport Fund to the General Fund represents funds that were provided to the Airport to decrease borrowings to outside parties and to fund operations. This amount is being repaid over the next 10 years. Other payables from the Airport Fund; \$520,029 to the Capital Improvements Sales Tax Fund and \$602,620 to the Combined Water/Sewer Fund represent an interfund loan approved in 2014 to temporarily fund airport capital expansion during the grant reimbursement process.

The \$3,340,000, \$492,075 and \$7,200 payable from Blue Parkway and Colbern Road CID represents funds that were escrowed to fund infrastructure improvements during a voluntary property annexation into City limits. This liability will be repaid with revenues generated by future development.

## CITY OF LEE'S SUMMIT, MISSOURI

### Notes To Basic Financial Statements (Continued)

Other interfund payables and receivables represent fund overdraws of cash, which are made in the ordinary course of business. Most of these overdraws are temporary until bond proceeds are reimbursed from the bond trustee for projects under construction.

Interfund transfers:

	Transfers To						Total
	General Fund	Debt Service Fund	Nonmajor Governmental	Airport Fund	Nonmajor Enterprise	Internal Service	
<b>Transfers from</b>							
General Fund	\$ —	\$ —	\$ 560,890	\$ 758,072	\$ 55,611	\$ 100,594	\$ 1,475,167
Debt Service Fund	1,000,000	—	375,000	—	—	—	1,375,000
Nonmajor Governmental	6,297	544	468,723	—	—	7,402	482,966
Combined Waterworks and Sewerage System	860,059	—	—	—	—	19,437	879,496
Sanitary Landfill	111,668	—	175,000	—	—	5,000	291,668
Airport	76,696	—	—	—	—	6,245	82,941
Internal Service	—	—	40,000	—	—	90,768	130,768
	<u>\$ 2,054,720</u>	<u>\$ 544</u>	<u>\$ 1,619,613</u>	<u>\$ 758,072</u>	<u>\$ 55,611</u>	<u>\$ 229,446</u>	<u>\$ 4,718,006</u>

Transfers are used to move revenues from one fund to the other due to budgetary authorizations or by ordinance in the normal course of business. In addition, unrestricted revenues collected in the General Fund are used to finance various programs in other funds and are transferred in accordance with budgetary authorizations.

During the year ended June 30, 2014, \$860,059 was transferred from the Combined Waterworks and Sewer System Fund to the General Fund for general and administrative expenses.

## 7. Employee Retirement Plan

### Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan that provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under Internal Revenue Code Section 401(a), and it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

## CITY OF LEE'S SUMMIT, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

#### Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate. The current rate is 13.3% (general), 16.6% (police) and 15.5% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

#### Annual Pension Cost

The annual pension costs and net pension obligation for June 30, 2014 are as follows:

Annual required contribution	\$ 5,114,971
Interest on net pension obligation	38,606
Adjustment to annual required contribution	<u>(44,419)</u>
Annual pension cost	5,109,158
Actual contributions	<u>5,114,971</u>
Change in net pension obligation	(5,813)
Net pension obligation, beginning of the year	<u>532,493</u>
Net pension obligation, end of the year	<u><u>\$ 526,680</u></u>

The annual required contribution (ARC) was determined as part of the February 29, 2012 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2012 was 19 years for the General division, 17 years for the Police division and 20 years for the Fire division.

#### Three-Year Trend Information

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2012	\$ 5,108,574	97.9%	\$ 534,912
June 30, 2013	5,421,510	100.0%	532,493
June 30, 2014	5,109,158	100.1%	526,680



**Funding Status And Progress**

As of February 28, 2014, the most recent actuarial valuation date, the plan was 100% funded. The actuarial accrued liability for benefits was \$106,817,979, and the actuarial value of assets was \$106,779,085, resulting in an unfunded actuarial accrual liability (UAAL) of \$38,894. The covered payroll (annual payroll of active employees covered by the plan) was \$34,423,413, and the ratio of the UAAL to the covered payroll was 0%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**8. Other Post Employment Benefits**

**Plan Description**

In addition to providing the pension benefits described above, the City provides employees that retire under the plan the opportunity for continuation of medical and dental insurance coverage offered through the City's fully insured group insurance plan.

Retirees who elect to continue coverage in the medical and dental plans offered through the City are required to pay the entire premium amount until the employee becomes eligible for Medicare. Since the retirees pay the premiums each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation.

**Funding Policy**

The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group.

**CITY OF LEE'S SUMMIT, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

**Annual OPEB Costs And Net OPEB Obligation**

The following table shows the components of the City's annual OPEB cost and net OPEB obligation for the year:

<b>Annual Required Contribution</b>	
Normal costs	\$ 214,243
Amortization of unfunded actuarial accrued liability (Amortization factor 19.03577)	<u>164,093</u>
	378,336
Interest on OPEB obligation	57,711
Adjustment to annual required contribution	<u>(86,621)</u>
Annual OPEB cost	349,426
Expected contribution (related to implicit rate subsidy)	<u>66,000</u>
	283,426
Net OPEB obligation, beginning of year	<u>1,648,896</u>
Net OPEB obligation, end of year	<u>\$ 1,932,322</u>

**Schedule Of Employer Contributions**

	<b>For The Year Ended June 30,</b>	<b>Annual OPEB Cost</b>	<b>*Percentage Contributed</b>	<b>Net OPEB Obligation</b>
2009	\$	294,154	12%	\$ 517,828
2010		223,202	13%	712,030
2011		223,202	17%	896,232
2012		437,332	7%	1,301,564
2013		437,332	21%	1,648,896
2014		349,426	19%	1,932,322

\* Contribution related to implicit rate subsidy

**Schedule Of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value Of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>(b-a) Unfunded Accrued Liability (UAAL)</b>	<b>(a/b) Funded Ratio</b>	<b>*(c) Annual Covered Payroll</b>	<b>((b-a)/c) UAAL As A Percentage Of Covered Payroll</b>
July 1, 2009	\$ —	\$ 1,586,434	\$ 1,586,434	—	\$ 32,175,017	5%
July 1, 2011	—	3,525,313	3,525,313	—	32,106,836	11%
July 1, 2013	—	3,017,998	3,017,998	—	32,130,565	9%

\* Annualized pay for actives eligible to participate in the health plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to financial statements, presents multiyear trend information whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL benefits.

### **Actuarial Methods And Assumptions**

The population valued is based on a closed group. Only current employees and retirees as of the valuation date are considered; no provision is made for future new hires.

As of July 1, 2013 actuarial valuation, the liabilities were computed using the projected unit credit method with a 30 year level dollar, open period amortization of the unfunded actuarial accrued liability. The actuarial assumption utilized a 3.50% valuation interest rate (or discount rate) an inflation rate of 3.00% and a healthcare cost trend rate of 9% reduced annually to an ultimate rate of 5% after 10 years.

As of valuation date, there are no plan assets recognized under GASB 45 rules.

## **9. Litigation And Contingent Liabilities**

### **Legal Matters**

The City is a party to a number of other lawsuits as a result of condemnation proceedings, zoning decisions, personal injury and certain law enforcement activities. Although potential claims against the City not covered by insurance, if any, resulting from such litigation are not determinable, it is the opinion of the City's legal counsel and management that the resolution of these matters will not have a materially adverse effect on the financial position of the City.

### **Self-Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect itself against these risks of loss, the City carries liability and fidelity insurance coverage provided by One Beacon Insurance Group and property coverage is provided by Travelers Property Casualty Company of America.

The City is self-insured with respect to its obligations to provide workers' compensation for its employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims is recorded in the government-wide and internal service fund financial statements.

## CITY OF LEE'S SUMMIT, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

At June 30, 2014, the City's total estimated liability for payment of incurred but unpaid claims for workers' compensation was \$744,797 and is included in accounts payable in the Workers' Compensation Self-Insurance Fund.

Changes in self-insured claims liability at June 30, 2014 and 2013 were as follows:

Balance - June 30, 2012	\$ 558,429
Add: Current year claims and change in estimate	848,926
Less: Claim payments	<u>609,723</u>
Balance - June 30, 2013	797,632
Add: Current year claims and change in estimate	287,466
Less: Claim payments	<u>340,301</u>
Balance - June 30, 2014	<u><u>\$ 744,797</u></u>

Settled claims have not exceeded insurance coverage in any of the past three years.

## 10. Closure And Postclosure Care Costs

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8,968,288 reported as landfill closure and postclosure care liability at June 30, 2014 represents the cumulative estimate of closure and postclosure care costs based on the use of approximately 87% of the ultimate capacity of the landfill.

## CITY OF LEE'S SUMMIT, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

The City will recognize the remaining estimated cost of closure and postclosure care of \$1,302,312 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care valued in 2014 costs. The City expects to close the landfill in the year 2018. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The City has documented its commitment to pay for closure and postclosure costs through the issuance of contracts of obligation with the Department of Natural Resources. These contracts legally bind the City to pay for closure and postclosure costs. As of June 30, 2014, the City had outstanding contracts of obligation in the amount of \$10,270,600 that were approved by the Department of Natural Resources subsequent to year end. The City expects that all closure and postclosure care costs, as well as future inflation costs, will be paid from available operating revenues, reserves and interest earnings on cash and short-term investments held in the Sanitary Landfill Fund. However, if these resources are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be recovered through charges to future landfill users.

#### **11. Deficits**

The accumulated deficit in the funds listed below will be eliminated by future revenues or transfers.

Blue Parkway and Colbern Road CID	\$ 1,189,941
Enterprise Funds - Sanitary Landfill	1,049,626
Capital Project Funds - Nonmajor	
Chapel Ridge TIF	645,518
Public Safety Issues	282,549
Third Street Road Improvements	2,644
Sidewalk Bond Program	26
Salt Dome No. 2	58,293
Park Development	73,125
Fire Facility No. 2	60
	<u>1,062,215</u>
Special Revenue Funds - Nonmajor	
Entitlement Fund	10,717
Energy Efficiency Grant	13,373
	<u>24,090</u>
	<u>\$ 3,325,872</u>

## **12. Municipal Court Traffic Violations Fines and Costs**

Missouri House Bill No. 103 amending RSMo Section 302.341.2 became effective on August 28, 2013. The amendment to the statute now requires municipalities to report an accounting of the percent of “annual general operating revenue” from fines and costs for traffic violations. The City was not required to and did not account for the fines and court costs for traffic violations separately from the total fines and court costs prior to August 28, 2013. Therefore, the City cannot provide the percent related specifically to traffic violations for the entire fiscal year ending June 30, 2014. Total fines and court cost revenues for the fiscal year, which includes fines and court costs related to traffic violations, summed to \$1,142,982. This accounts for 2.17% of the City’s total general operating revenues of \$52,677,699 for the year ended June 30, 2014.

## **13. Subsequent Events**

In January 2015, the City issued additional general obligation bonds that have a principal amount of \$3,970,000, with interest ranging between 2% to 5%, to be repaid through April 1, 2019.



**Required Supplementary Information**



**CITY OF LEE'S SUMMIT, MISSOURI**  
**BUDGETARY COMPARISON INFORMATION**  
**GENERAL FUND**  
**For The Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 48,103,253	\$ 48,103,253	\$ 49,528,303	\$ 1,425,050
Fees and forfeitures	1,519,417	1,519,417	1,323,206	(196,211)
Licenses and permits	1,279,490	1,279,490	1,757,827	478,337
Intergovernmental	829,576	829,576	791,849	(37,727)
Charges for services	3,521,327	3,521,327	3,648,402	127,075
Investment earnings	90,684	90,684	68,363	(22,321)
Other	1,591,091	1,591,091	1,825,778	234,687
<b>Total Revenues</b>	<b>56,934,838</b>	<b>56,934,838</b>	<b>58,943,728</b>	<b>2,008,890</b>
<b>Expenditures</b>				
Current				
General government				
Administration	2,991,117	2,908,147	2,814,818	93,329
Codes administration	1,450,682	1,450,682	1,422,375	28,307
Finance	5,129,725	5,261,823	4,772,123	489,700
Municipal court	815,560	878,231	878,208	23
Legal	1,130,872	1,152,529	1,152,332	197
Public Safety				
Law enforcement	19,043,674	19,043,674	18,502,921	540,753
Fire/EMS	15,456,009	15,886,660	15,858,847	27,813
Public works and streets				
Public works/engineering	3,772,615	3,772,615	3,768,760	3,855
Street operations	7,149,928	7,149,928	6,992,532	157,396
Community development	974,475	974,475	894,521	79,954
<b>Total Expenditures</b>	<b>57,914,657</b>	<b>58,478,764</b>	<b>57,057,437</b>	<b>1,421,327</b>
<b>Excess (Deficiency) Of Revenues</b>				
<b>Over Expenditures</b>	<b>(979,819)</b>	<b>(1,543,926)</b>	<b>1,886,291</b>	<b>3,430,217</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,996,350	1,996,350	2,054,720	58,370
Transfers out	(478,566)	(943,532)	(1,475,167)	(531,635)
<b>Total Other Financing Sources (Uses)</b>	<b>1,517,784</b>	<b>1,052,818</b>	<b>579,553</b>	<b>(473,265)</b>
<b>Net Change In Fund Balances</b>	<b>537,965</b>	<b>(491,108)</b>	<b>2,465,844</b>	<b>2,956,952</b>
<b>Fund Balances - Beginning</b>	<b>27,326,458</b>	<b>27,326,458</b>	<b>14,853,937</b>	<b>(12,472,521)</b>
<b>Fund Balances - Ending</b>	<b>\$ 27,864,423</b>	<b>\$ 26,835,350</b>	<b>\$ 17,319,781</b>	<b>\$ (9,515,569)</b>



# CITY OF LEE'S SUMMIT, MISSOURI

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## REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO BUDGETARY COMPARISON INFORMATION For The Year Ended June 30, 2014

### **Budgets And Budgetary Accounting**

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. Amendments to the original budget were not material, and appropriations lapse at year-end. The basis of accounting is the same for both budgeting and GAAP reporting purposes. The City Council utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

- (1) Prior to the beginning of the fiscal year, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget provides a complete financial plan of all funds and activities for the upcoming fiscal year. In no event shall the total proposed expenditures exceed the estimated revenues to be received plus any unencumbered cash reserves estimated to be on hand at the beginning of the budget year.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to July 1, the budget is legally enacted through passage of an ordinance.

The appropriated budget is prepared by fund, department and program. Department heads may make transfers of appropriations within their departments. Upon written request by the City Administrator, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another. The legal level of budgetary control is the department level.

Although the City is legally required to prepare budgets for all funds, there is no legal requirement to report on those budgets.

The majority of Special Revenue Funds have annual appropriated budgets; funds that do not are the Entitlement Fund, Landfill Postclosure Fund, Cemetery Trust Fund, Road and Bridge Escrow Fund, the Business and Industry Fund and the Energy Efficiency Grant Fund.

Capital projects are budgeted on a project basis rather than on an annual fiscal basis; therefore, a comparison of actual to budget for Capital Project Funds would not be meaningful.

**CITY OF LEE'S SUMMIT, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF FUNDING PROGRESS – RETIREMENT PLAN AND OTHER  
POST EMPLOYMENT BENEFIT OBLIGATIONS  
For The Year Ended June 30, 2014**

**Schedule Of Funding Progress**

Missouri Local Government Employees Retirement System (LAGERS)  
City of Lee's Summit

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value Of Assets</b>	<b>(b) Actuarial Accrued Liability</b>	<b>(b-a) Unfunded Accrued Liability (UAL)</b>	<b>(a/b) Funded Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>((b-a)/c) UAL As A Percentage Of Covered Payroll</b>
February 28, 2009	\$ 59,791,777	\$ 78,401,386	\$ 18,609,609	76%	\$ 32,648,080	57%
February 28, 2010	65,768,393	83,898,840	18,130,447	78%	34,073,176	53%
February 28, 2011	76,217,407	94,046,436	17,829,029	81%	34,542,887	52%
February 29, 2012	85,298,025	97,730,444	12,432,419	87%	33,681,861	37%
February 28, 2013	94,985,096	102,511,785	7,526,689	93%	33,944,254	22%
February 28, 2014	106,779,085	106,817,979	38,894	100%	34,423,413	0%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund.

**Other Post Employment Benefit Obligations**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value Of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>(b-a) Unfunded Accrued Liability (UAAL)</b>	<b>(a/b) Funded Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>((b-a)/c) UAL As A Percentage Of Covered Payroll</b>
July 1, 2009	\$ —	\$ 1,586,434	\$ 1,586,434	—	\$ 32,175,017	5%
July 1, 2011	—	3,525,313	3,525,313	—	32,106,836	11%
July 1, 2013	—	3,017,998	3,017,998	—	32,130,565	9%

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**Supplementary Information**

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Combining And Individual Fund Financial  
Statements And Schedules

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**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2014**

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Pooled cash and investments	\$ 10,386,934	\$ 22,736,849	\$ 33,123,783
Receivables (net of allowance)			
Taxes	105,326	1,356,895	1,462,221
Accounts and other	38,927	—	38,927
Interest	11,149	5,758	16,907
Due from other funds	—	3,341,537	3,341,537
Due from other governments	83,614	140,560	224,174
Other assets	79	838	917
<b>Total Assets</b>	<b>\$ 10,626,029</b>	<b>\$ 27,582,437</b>	<b>\$ 38,208,466</b>
<b>Liabilities And Fund Balances</b>			
Liabilities			
Accounts payable and accrued liabilities	\$ 334,059	\$ 3,198,447	\$ 3,532,506
Payroll liabilities	119,584	—	119,584
Payable from restricted	906,680	5,000	911,680
Accrued interest payable	—	3,690	3,690
Due to other funds	22,700	1,499,274	1,521,974
<b>Total Liabilities</b>	<b>1,383,023</b>	<b>4,706,411</b>	<b>6,089,434</b>
<b>Deferred Inflows Of Resources</b>			
Property tax	172,528	—	172,528
Other	—	10,191	10,191
<b>Total Deferred Inflows Of Resources</b>	<b>172,528</b>	<b>10,191</b>	<b>182,719</b>
<b>Fund balances</b>			
Restricted			
Bridges, streets and signals	—	11,796,206	11,796,206
Economic development	—	4,823,456	4,823,456
Law enforcement	—	312,709	312,709
Other capital projects	—	6,794,373	6,794,373
Committed			
Bridges, streets and signals	164,051	—	164,051
Landfill care	4,555,141	—	4,555,141
Cemetery care	1,214,295	—	1,214,295
Other capital projects	—	11,518	11,518
Assigned			
Parks and recreation	2,800,151	—	2,800,151
Economic development	76,842	—	76,842
Other capital projects	—	189,788	189,788
Unassigned	259,998	(1,062,215)	(802,217)
<b>Total Fund Balances</b>	<b>9,070,478</b>	<b>22,865,835</b>	<b>31,936,313</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 10,626,029</b>	<b>\$ 27,582,437</b>	<b>\$ 38,208,466</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2014**

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Taxes			
Property	\$ 3,034,834	\$ 4,590,049	\$ 7,624,883
Sales	—	7,951,568	7,951,568
License	—	593,724	593,724
Bed	342,603	—	342,603
Other tax	5,267	—	5,267
Fines and forfeitures	24,288	19,480	43,768
Intergovernmental	377,482	728,930	1,106,412
Charges for services	2,961,829	72,769	3,034,598
Investment earnings	49,711	35,049	84,760
Other	510,051	208,380	718,431
<b>Total Revenues</b>	<b>7,306,065</b>	<b>14,199,949</b>	<b>21,506,014</b>
<b>Expenditures</b>			
Current			
General government	632,997	56,122	689,119
Parks and recreation	5,880,029	—	5,880,029
Debt service			
Principal	—	1,175,000	1,175,000
Interest and other charges	—	1,377,020	1,377,020
Capital outlay	—	30,353,297	30,353,297
<b>Total Expenditures</b>	<b>6,513,026</b>	<b>32,961,439</b>	<b>39,474,465</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>793,039</b>	<b>(18,761,490)</b>	<b>(17,968,451)</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of bonds	—	6,757,539	6,757,539
Premium on issuance of bonds	—	654,643	654,643
Transfers in	533,890	1,085,723	1,619,613
Transfers out	(481,699)	(1,267)	(482,966)
<b>Total Other Financing Sources</b>	<b>52,191</b>	<b>8,496,638</b>	<b>8,548,829</b>
<b>Net Change In Fund Balances</b>	<b>845,230</b>	<b>(10,264,852)</b>	<b>(9,419,622)</b>
<b>Fund Balances - Beginning</b>	<b>8,225,248</b>	<b>33,130,687</b>	<b>41,355,935</b>
<b>Fund Balances - Ending</b>	<b>\$ 9,070,478</b>	<b>\$ 22,865,835</b>	<b>\$ 31,936,313</b>

# CITY OF LEE'S SUMMIT, MISSOURI

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## NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital project) requiring separate accounting because of legal or regulatory provisions or administrative action. The City's nonmajor Special Revenue Funds are as follows:

***Park Board*** - Established to account for activities of the Park Board, which administers operations of all City parks.

***Violence Against Women Grant*** - Established to account for the receipt of federal grant monies for the Violence Against Women Grant.

***Entitlement Fund*** - Established to account for federal funding passed through to other agencies.

***Landfill Postclosure Fund*** - Established to account for reserve set up to cover landfill closure costs the City will incur.

***Cemetery Trust Fund*** - Established to account for plot and monument sales for perpetual care funding.

***Road And Bridge Escrow*** - Established to account for deposits made related to road and bridge improvement projects.

***Business And Industry Fund*** - Established to account for and distribute the proceeds from a 5% tax on certain gross receipts of hotels, motels and similar places of business.

***Energy Efficiency Grant*** - Established to account for money received from the Federal Department of Energy to go towards projects for energy efficiency and conservation.

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2014**

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	Energy Efficiency Grant	Total Nonmajor Special Revenue Funds
<b>Assets</b>									
Pooled cash and investments	\$ 3,268,054	\$ 230,331	\$ 81	\$ 4,550,709	\$ 1,230,206	\$ 1,069,730	\$ 37,796	\$ 27	\$ 10,386,934
Receivables (net of allowance)									
Taxes receivable, net	105,326	—	—	—	—	—	—	—	105,326
Accounts and other	—	—	—	—	—	—	38,927	—	38,927
Interest	3,693	—	—	4,432	1,904	1,001	119	—	11,149
Due from other governments	—	66,930	16,684	—	—	—	—	—	83,614
Other assets	79	—	—	—	—	—	—	—	79
<b>Total Assets</b>	<b>\$ 3,377,152</b>	<b>\$ 297,261</b>	<b>\$ 16,765</b>	<b>\$ 4,555,141</b>	<b>\$ 1,232,110</b>	<b>\$ 1,070,731</b>	<b>\$ 76,842</b>	<b>\$ 27</b>	<b>\$ 10,626,029</b>
<b>Liabilities And Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable and accrued liabilities	\$ 286,738	\$ 13,173	\$ 18,182	\$ —	\$ 15,966	\$ —	\$ —	\$ —	\$ 334,059
Payroll liabilities	117,735	—	—	—	1,849	—	—	—	119,584
Payable from restricted	—	—	—	—	—	906,680	—	—	906,680
Due to other funds	—	—	9,300	—	—	—	—	13,400	22,700
<b>Total Liabilities</b>	<b>404,473</b>	<b>13,173</b>	<b>27,482</b>	<b>—</b>	<b>17,815</b>	<b>906,680</b>	<b>—</b>	<b>13,400</b>	<b>1,383,023</b>
<b>Deferred Inflows Of Resources</b>									
Property tax	172,528	—	—	—	—	—	—	—	172,528
<b>Fund Balances</b>									
<b>Committed</b>									
Bridges, streets and signals	—	—	—	—	—	164,051	—	—	164,051
Landfill care	—	—	—	4,555,141	—	—	—	—	4,555,141
Cemetery care	—	—	—	—	1,214,295	—	—	—	1,214,295
<b>Assigned</b>									
Parks and recreation	2,800,151	—	—	—	—	—	—	—	2,800,151
Economic development	—	—	—	—	—	—	76,842	—	76,842
<b>Unassigned</b>									
	—	284,088	(10,717)	—	—	—	—	(13,373)	259,998
<b>Total Fund Balances</b>	<b>2,800,151</b>	<b>284,088</b>	<b>(10,717)</b>	<b>4,555,141</b>	<b>1,214,295</b>	<b>164,051</b>	<b>76,842</b>	<b>(13,373)</b>	<b>9,070,478</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 3,377,152</b>	<b>\$ 297,261</b>	<b>\$ 16,765</b>	<b>\$ 4,555,141</b>	<b>\$ 1,232,110</b>	<b>\$ 1,070,731</b>	<b>\$ 76,842</b>	<b>\$ 27</b>	<b>\$ 10,626,029</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For The Year Ended June 30, 2014**

	<b>Park Board</b>	<b>Violence Against Women Grant</b>	<b>Entitlement Fund</b>	<b>Landfill Post Closure Fund</b>	<b>Cemetery Trust Fund</b>	<b>Road And Bridge Escrow</b>	<b>Business And Industry Fund</b>	<b>Energy Efficiency Grant</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>									
Taxes									
Property	\$ 3,034,834	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,034,834
Bed	—	—	—	—	—	—	342,603	—	342,603
Other tax	5,267	—	—	—	—	—	—	—	5,267
Fines and forfeitures	24,288	—	—	—	—	—	—	—	24,288
Intergovernmental	405	138,389	238,278	—	410	—	—	—	377,482
Charges for services	2,799,526	—	—	—	162,303	—	—	—	2,961,829
Investment earnings (loss)	20,361	(22)	—	19,912	5,051	4,346	63	—	49,711
Other	371,060	—	—	—	138,991	—	—	—	510,051
<b>Total Revenues</b>	<b>6,255,741</b>	<b>138,367</b>	<b>238,278</b>	<b>19,912</b>	<b>306,755</b>	<b>4,346</b>	<b>342,666</b>	<b>—</b>	<b>7,306,065</b>
<b>Expenditures</b>									
Current:									
General government	—	48,106	216,488	—	—	—	368,403	—	632,997
Parks and recreation	5,654,913	—	—	—	225,116	—	—	—	5,880,029
<b>Total Expenditures</b>	<b>5,654,913</b>	<b>48,106</b>	<b>216,488</b>	<b>—</b>	<b>225,116</b>	<b>—</b>	<b>368,403</b>	<b>—</b>	<b>6,513,026</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>600,828</b>	<b>90,261</b>	<b>21,790</b>	<b>19,912</b>	<b>81,639</b>	<b>4,346</b>	<b>(25,737)</b>	<b>—</b>	<b>793,039</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	296,690	—	—	175,000	—	—	62,200	—	533,890
Transfers out	(449,759)	—	—	—	(25,643)	—	(6,297)	—	(481,699)
<b>Total Other Financing Sources (Uses)</b>	<b>(153,069)</b>	<b>—</b>	<b>—</b>	<b>175,000</b>	<b>(25,643)</b>	<b>—</b>	<b>55,903</b>	<b>—</b>	<b>52,191</b>
<b>Net Change In Fund Balances</b>	<b>447,759</b>	<b>90,261</b>	<b>21,790</b>	<b>194,912</b>	<b>55,996</b>	<b>4,346</b>	<b>30,166</b>	<b>—</b>	<b>845,230</b>
<b>Fund Balances - Beginning</b>	<b>2,352,392</b>	<b>193,827</b>	<b>(32,507)</b>	<b>4,360,229</b>	<b>1,158,299</b>	<b>159,705</b>	<b>46,676</b>	<b>(13,373)</b>	<b>8,225,248</b>
<b>Fund Balances - Ending</b>	<b>\$ 2,800,151</b>	<b>\$ 284,088</b>	<b>\$ (10,717)</b>	<b>\$ 4,555,141</b>	<b>\$ 1,214,295</b>	<b>\$ 164,051</b>	<b>\$ 76,842</b>	<b>\$ (13,373)</b>	<b>\$ 9,070,478</b>



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CITY OF LEE'S SUMMIT, MISSOURI

BUDGETARY COMPARISON SCHEDULE

PARK BOARD

For The Year Ended June 30, 2014

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
Property taxes	\$ 2,899,800	\$ 2,899,800	\$ 3,034,834	\$ 135,034
Other tax	2,500	2,500	5,267	2,767
Fines and forfeitures	22,250	22,250	24,288	2,038
Intergovernmental	—	—	405	405
Charges for services	3,077,363	3,077,363	2,799,526	(277,837)
Investment earnings	8,200	8,200	20,361	12,161
Other	119,455	119,455	371,060	251,605
<b>Total Revenues</b>	<b>6,129,568</b>	<b>6,129,568</b>	<b>6,255,741</b>	<b>126,173</b>
<b>Expenditures</b>				
Current				
Parks and recreation	5,934,698	5,957,698	5,654,913	302,785
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>194,870</b>	<b>171,870</b>	<b>600,828</b>	<b>428,958</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	388,928	388,928	296,690	(92,238)
Transfers out	(485,985)	(485,985)	(449,759)	36,226
<b>Total Other Financing Sources (Uses)</b>	<b>(97,057)</b>	<b>(97,057)</b>	<b>(153,069)</b>	<b>(56,012)</b>
<b>Net Change In Fund Balances</b>	<b>97,813</b>	<b>74,813</b>	<b>447,759</b>	<b>372,946</b>
<b>Fund Balances - Beginning</b>	<b>2,352,392</b>	<b>2,352,392</b>	<b>2,352,392</b>	<b>—</b>
<b>Fund Balances - Ending</b>	<b>\$ 2,450,205</b>	<b>\$ 2,427,205</b>	<b>\$ 2,800,151</b>	<b>\$ 372,946</b>

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**CITY OF LEE'S SUMMIT, MISSOURI**

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**BUDGETARY COMPARISON SCHEDULE  
VIOLENCE AGAINST WOMEN GRANT  
For The Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variances With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and permits				
Intergovernmental	\$ 208,660	\$ 208,660	\$ 138,389	\$ (70,271)
Investment earnings	—	—	(22)	(22)
<b>Total Revenues</b>	208,660	208,660	138,367	(70,293)
<b>Expenditures</b>				
Current				
General government	175,778	175,778	48,106	127,672
<b>Net Change In Fund Balances</b>	32,882	32,882	90,261	57,379
<b>Fund Balances - Beginning</b>	193,827	193,827	193,827	—
<b>Fund Balances - Ending</b>	\$ 226,709	\$ 226,709	\$ 284,088	\$ 57,379

# CITY OF LEE'S SUMMIT, MISSOURI

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## NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Enterprise Funds. The City's nonmajor Capital Projects Funds are as follows:

***Fire Facility No. 7*** - Established to account for construction of a new fire facility related to a 2002 general obligation bond issue.

***Fire Facility No. 2*** - Established to account for relocation and reconstruction of Fire Station #2 related to a 2007 general obligation bond issue.

***Road And Bridge Improvement*** - Established to account for road and bridge improvement projects within the City related to a fiscal year 1995 tax levy.

***Road And Bridge Excise Tax*** - Established to account for road and bridge improvement projects within the City related to an excise tax and a ten year capital improvement sales tax that was approved by voters in 1997.

***Ritter Plaza Tax Increment Financing*** - Established to account for public improvements needed to support new private development in M-291 and Swann Road area.

***Park Development*** - Established to account for construction of new parks.

***Summit Woods Tax Increment Financing*** - Established to account for public improvements needed to support new private development in the I-470 and M-350 Highway area.

***Chapel Ridge Tax Increment Financing*** - Capital projects fund established to account for public improvements needed to support new private development in the I-470 and Woods Chapel Road area.

***New Longview Tax Increment Financing*** - Established to account for public improvements needed to support new private development in the Longview Farm area.

***Hartley's Block Tax Increment Financing*** - Established to account for improvements needed to support redevelopment of 1.3 acres in the historic downtown area.

***I-470 Business Center Tax Increment Financing*** - Established to account for public improvements needed to support development of 125 acres in the I-470 corridor.

***Summit Woods East TIF*** - Established to account for public improvements needed to support new private development in the I-470 and M-350 Highway area.

***Downtown Improvements*** - Established to account for improvement projects in the downtown area of the City related to a 2002 general obligation bond issue.

***Public Safety Issues*** - Established to account for construction of a new animal control facility and installation of 17 additional storm sirens within the City related to a 2002 general obligation bond issue.

***Third Street Road Improvements*** - Established to account for construction of Third Street related to a 2002 general obligation bond issue.

***Storm Water Improvement*** - Established to account for construction of projects related to a 2007 bond election.

## CITY OF LEE'S SUMMIT, MISSOURI

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### NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS (*Continued*)

***Sidewalk Bond Program*** - Established to account for sidewalk rehabilitation and connectivity related to a 2007 general obligation bond issue.

***Arterial Street Lights II*** - Established to account for construction of projects related to a 2007 bond election.

***Salt Dome Bonds #2*** - Established to account for construction of a second salt storage dome related to a 2007 general obligation bond issue.

***Todd George 50 Highway Tax Increment Financing*** - Established to account for public improvements needed to support development of property in the 50 Highway corridor between Blackwell Road and Todd George Road.

***ERP System*** - Established to account for the acquisition, testing, and implementation of new Financial, Procurement, Human Resources and Water Utility Billing software.

***Road Improvements*** - Established to account for costs associated with construction of Strother Road Improvements and View High/I-470 Road Improvements related to a 2010 general obligation bond issue.

***Tudor Road Improvements*** - Established to account for costs associated with construction of Tudor Road related to a 2010 general obligation bond issue.

***Infrastructure Improvements*** - Established to account for costs associated with sidewalk rehabilitation and curb replacement related to a 2010 general obligation bond issue.

***Public Safety 10*** - Established to account for costs associated with public safety radio upgrade and for construction of a police training facility and other improvements related to a 2010 general obligation bond issue.

***Cultural Arts 2013 Bonds*** - Established to account for costs associated with public improvements for cultural arts, including improvements to the Legacy Park Amphitheater, rehabilitating the old downtown post office/city hall building and creating a downtown outdoor performance and festival space.

***Road Improvements 2013*** - Established to account for costs to construct road improvements, sidewalks, curbs and drainage facilities for Orchard Street and paved shoulders for Pryor Road.

***Public Safety Equipment Replacement*** - Established to account for revenues and expenditures related to equipment used for public safety that is not included in other replacement programs.

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 1 Of 2  
June 30, 2014**

	Fire Facility No. 7	Fire Facility No. 2	Road And Bridge Improve- ment	Road And Bridge Excise Tax	Ritter Plaza TIF	Park Develop- ment	Summit Woods TIF	Chapel Ridge TIF	New Longview TIF	Hartley's Block TIF	I-470 Business Center TIF	Summit Woods East TIF	Downtown Improve- ments	Public Safety Issues
<b>Assets</b>														
Pooled cash and investments	\$ 170,567	\$ —	\$ 563,808	\$ 485,645	\$ 99,498	\$ 189,923	\$ 62,404	\$ —	\$ 10,606	\$ 257,869	\$ 71,615	\$ 3,582,340	\$ 75,539	\$ —
Receivables (net of allowance)														
Taxes	—	—	1,130,165	10,191	—	—	—	57,574	11,468	—	—	147,497	—	—
Interest	—	—	585	243	89	—	1,947	—	38	247	124	—	—	—
Due from other funds	—	—	3,340,000	—	—	—	—	—	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—	—	48,238	5,935	—	—	86,387	—	—
Other assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Assets</b>	<b>\$ 170,567</b>	<b>\$ —</b>	<b>\$ 5,034,558</b>	<b>\$ 496,079</b>	<b>\$ 99,587</b>	<b>\$ 189,923</b>	<b>\$ 64,351</b>	<b>\$ 105,812</b>	<b>\$ 28,047</b>	<b>\$ 258,116</b>	<b>\$ 71,739</b>	<b>\$ 3,816,224</b>	<b>\$ 75,539</b>	<b>\$ —</b>
<b>Liabilities And Fund Balances</b>														
<b>Liabilities</b>														
Accounts payable and														
accrued liabilities	\$ —	\$ —	\$ 1,278,728	\$ —	\$ —	\$ 261,742	\$ 61,052	\$ —	\$ 12,190	\$ 4,573	\$ 3,038	\$ 75,106	\$ —	\$ —
Payable from restricted	—	—	—	—	—	—	—	—	5,000	—	—	—	—	—
Accrued interest payable	—	60	387	—	—	1,306	—	842	—	—	—	6	—	—
Due to other funds	—	—	—	—	—	—	—	750,488	—	—	—	219,707	—	282,549
<b>Total Liabilities</b>	<b>—</b>	<b>60</b>	<b>1,279,115</b>	<b>—</b>	<b>—</b>	<b>263,048</b>	<b>61,052</b>	<b>751,330</b>	<b>17,190</b>	<b>4,573</b>	<b>3,038</b>	<b>294,819</b>	<b>—</b>	<b>282,549</b>
<b>Deferred Inflows Of Resources</b>														
Other	—	—	—	10,191	—	—	—	—	—	—	—	—	—	—
<b>Fund Balances</b>														
Restricted														
Bridges, streets and signals	—	—	3,755,443	485,888	—	—	—	—	—	—	—	—	—	—
Economic development	—	—	—	—	99,587	—	3,299	—	10,857	253,543	68,701	3,521,405	—	—
Law enforcement	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other capital projects	170,567	—	—	—	—	—	—	—	—	—	—	—	—	—
Committed														
Other capital projects	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Assigned														
Other capital projects	—	—	—	—	—	—	—	—	—	—	—	—	75,539	—
Unassigned	—	(60)	—	—	—	(73,125)	—	(645,518)	—	—	—	—	—	(282,549)
<b>Total Fund Balances</b>	<b>170,567</b>	<b>(60)</b>	<b>3,755,443</b>	<b>485,888</b>	<b>99,587</b>	<b>(73,125)</b>	<b>3,299</b>	<b>(645,518)</b>	<b>10,857</b>	<b>253,543</b>	<b>68,701</b>	<b>3,521,405</b>	<b>75,539</b>	<b>(282,549)</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 170,567</b>	<b>\$ —</b>	<b>\$ 5,034,558</b>	<b>\$ 496,079</b>	<b>\$ 99,587</b>	<b>\$ 189,923</b>	<b>\$ 64,351</b>	<b>\$ 105,812</b>	<b>\$ 28,047</b>	<b>\$ 258,116</b>	<b>\$ 71,739</b>	<b>\$ 3,816,224</b>	<b>\$ 75,539</b>	<b>\$ —</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 2 Of 2  
June 30, 2014**

	Third Street Road Improve- ments	Storm Water Improve- ment	Sidewalk Bond Program	Arterial Street Lights II	Salt Dome Bonds #2	Todd George 50 HWY TIF	ERP System	Road Improve- ments	Tudor Road Improve- ments	Infrastruc- ture Improve- ments	Public Safety 10	Cultural Arts 2013 Bonds	Road Improve- ments 2013	Public Safety Equipment Replace- ment	Total Nonmajor Capital Projects Funds
<b>Assets</b>															
Pooled cash and investments	\$ 56	\$ 3,995,364	\$ —	\$ 295,071	\$ 207	\$ 884,458	\$ 107,869	\$ 2,276,554	\$ 990,219	\$ 703,938	\$ 756,929	\$ 2,745,661	\$ 4,393,757	\$ 16,952	\$ 22,736,849
Receivables (net of allowance)															
Taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,356,895
Interest	—	75	—	—	—	842	110	3	2	1,362	1	18	29	43	5,758
Due from other funds	—	—	—	—	—	—	—	—	1,537	—	—	—	—	—	3,341,537
Due from other governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	140,560
Other assets	—	—	—	—	—	—	793	45	—	—	—	—	—	—	838
<b>Total Assets</b>	<b>\$ 56</b>	<b>\$ 3,995,439</b>	<b>\$ —</b>	<b>\$ 295,071</b>	<b>\$ 207</b>	<b>\$ 885,300</b>	<b>\$ 108,772</b>	<b>\$ 2,276,602</b>	<b>\$ 991,758</b>	<b>\$ 705,300</b>	<b>\$ 756,930</b>	<b>\$ 2,745,679</b>	<b>\$ 4,393,786</b>	<b>\$ 16,995</b>	<b>\$ 27,582,437</b>
<b>Liabilities And Fund Balances</b>															
<b>Liabilities</b>															
Accounts payable and accrued liabilities	\$ —	\$ 233,381	\$ —	\$ 29,088	\$ —	\$ 19,236	\$ —	\$ —	\$ 413,176	\$ 262,362	\$ 442,436	\$ 32,172	\$ 70,167	\$ —	\$ 3,198,447
Payable from restricted	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,000
Accrued interest payable	—	457	26	53	—	—	—	38	18	—	485	2	10	—	3,690
Due to other funds	2,700	117,210	—	10	58,500	—	—	10,200	36,100	—	1,300	10	20,500	—	1,499,274
<b>Total Liabilities</b>	<b>2,700</b>	<b>351,048</b>	<b>26</b>	<b>29,151</b>	<b>58,500</b>	<b>19,236</b>	<b>—</b>	<b>10,238</b>	<b>449,294</b>	<b>262,362</b>	<b>444,221</b>	<b>32,184</b>	<b>90,677</b>	<b>—</b>	<b>4,706,411</b>
<b>Deferred Inflows Of Resources</b>															
Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10,191
<b>Fund Balances</b>															
Restricted															
Bridges, streets and signals	—	—	—	—	—	—	—	2,266,364	542,464	442,938	—	—	4,303,109	—	11,796,206
Economic development	—	—	—	—	—	866,064	—	—	—	—	—	—	—	—	4,823,456
Law enforcement	—	—	—	—	—	—	—	—	—	—	312,709	—	—	—	312,709
Other capital projects	—	3,644,391	—	265,920	—	—	—	—	—	—	—	2,713,495	—	—	6,794,373
Committed															
Other capital projects	—	—	—	—	—	—	11,518	—	—	—	—	—	—	—	11,518
Assigned															
Other capital projects	—	—	—	—	—	—	97,254	—	—	—	—	—	—	16,995	189,788
Unassigned	(2,644)	—	(26)	—	(58,293)	—	—	—	—	—	—	—	—	—	(1,062,215)
<b>Total Fund Balances</b>	<b>(2,644)</b>	<b>3,644,391</b>	<b>(26)</b>	<b>265,920</b>	<b>(58,293)</b>	<b>866,064</b>	<b>108,772</b>	<b>2,266,364</b>	<b>542,464</b>	<b>442,938</b>	<b>312,709</b>	<b>2,713,495</b>	<b>4,303,109</b>	<b>16,995</b>	<b>22,865,835</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 56</b>	<b>\$ 3,995,439</b>	<b>\$ —</b>	<b>\$ 295,071</b>	<b>\$ 207</b>	<b>\$ 885,300</b>	<b>\$ 108,772</b>	<b>\$ 2,276,602</b>	<b>\$ 991,758</b>	<b>\$ 705,300</b>	<b>\$ 756,930</b>	<b>\$ 2,745,679</b>	<b>\$ 4,393,786</b>	<b>\$ 16,995</b>	<b>\$ 27,582,437</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS**

Page 1 Of 2

For The Year Ended June 30, 2014

	Fire Facility No. 7	Fire Facility No. 2	Road And Bridge Improvement	Road And Bridge Excise Tax	Ritter Plaza TIF	Park Develop- ment	Summit Woods TIF	Chapel Ridge TIF	New Longview TIF	Hartley's Block TIF	I-470 Business Center TIF	Summit Woods East TIF	Downtown Improve- ments	Public Safety Issues
<b>Revenues</b>														
Taxes														
Property	\$ —	\$ —	\$ —	\$ —	\$ 61,203	\$ —	\$ —	\$ 1,417,578	\$ 250,878	\$ 42,535	\$ 444,937	\$ 1,399,812	\$ —	\$ —
Sales	—	—	6,358,517	—	—	—	498,590	54,669	—	7,424	1,032,368	—	—	—
License	—	—	—	593,724	—	—	—	—	—	—	—	—	—	—
Fees and fines	—	—	—	—	—	—	17,343	2,137	—	—	—	—	—	—
Intergovernmental	—	—	23,801	224,044	—	—	186,920	20,328	—	—	273,837	—	—	—
Charges for services	—	—	—	—	—	—	19,744	—	—	75	6,348	—	—	—
Investment earnings (loss)	956	59	7,813	(374)	(14)	465	253	3,760	213	853	1,427	1,111	475	136
Other	—	—	62,756	—	—	102,384	—	—	—	—	—	—	—	31,194
<b>Total Revenues</b>	<b>956</b>	<b>59</b>	<b>6,452,887</b>	<b>817,394</b>	<b>61,189</b>	<b>102,849</b>	<b>19,997</b>	<b>2,124,191</b>	<b>328,225</b>	<b>43,388</b>	<b>453,863</b>	<b>2,713,476</b>	<b>475</b>	<b>31,330</b>
<b>Expenditures</b>														
General government	—	5	263	—	—	—	—	—	—	—	—	—	—	—
Debt service														
Principal	—	—	—	—	—	—	—	—	—	—	—	1,175,000	—	—
Interest and other charges	—	—	—	162	—	—	19,744	—	—	—	—	1,357,409	—	—
Capital outlay	—	34,298	9,175,266	90,786	979	1,883,720	—	436,295	309,676	5,254	538,859	84,186	—	—
<b>Total Expenditures</b>	<b>—</b>	<b>34,303</b>	<b>9,175,529</b>	<b>90,948</b>	<b>979</b>	<b>1,883,720</b>	<b>19,744</b>	<b>436,295</b>	<b>309,676</b>	<b>5,254</b>	<b>538,859</b>	<b>2,616,595</b>	<b>—</b>	<b>—</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>956</b>	<b>(34,244)</b>	<b>(2,722,642)</b>	<b>726,446</b>	<b>60,210</b>	<b>(1,780,871)</b>	<b>253</b>	<b>1,687,896</b>	<b>18,549</b>	<b>38,134</b>	<b>(84,996)</b>	<b>96,881</b>	<b>475</b>	<b>31,330</b>
<b>Other Financing Sources (Uses)</b>														
Issuance of bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Premium on issuance of bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers in	—	—	—	—	—	668,000	—	—	—	—	—	—	—	—
Transfers out	—	(544)	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>(544)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>668,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Change In Fund Balances</b>	<b>956</b>	<b>(34,788)</b>	<b>(2,722,642)</b>	<b>726,446</b>	<b>60,210</b>	<b>(1,112,871)</b>	<b>253</b>	<b>1,687,896</b>	<b>18,549</b>	<b>38,134</b>	<b>(84,996)</b>	<b>96,881</b>	<b>475</b>	<b>31,330</b>
<b>Fund Balances - Beginning</b>	<b>169,611</b>	<b>34,728</b>	<b>6,478,085</b>	<b>(240,558)</b>	<b>39,377</b>	<b>1,039,746</b>	<b>3,046</b>	<b>(2,333,414)</b>	<b>(7,692)</b>	<b>215,409</b>	<b>153,697</b>	<b>3,424,524</b>	<b>75,064</b>	<b>(313,879)</b>
<b>Fund Balances - Ending</b>	<b>\$ 170,567</b>	<b>\$ (60)</b>	<b>\$ 3,755,443</b>	<b>\$ 485,888</b>	<b>\$ 99,587</b>	<b>\$ (73,125)</b>	<b>\$ 3,299</b>	<b>\$ (645,518)</b>	<b>\$ 10,857</b>	<b>\$ 253,543</b>	<b>\$ 68,701</b>	<b>\$ 3,521,405</b>	<b>\$ 75,539</b>	<b>\$ (282,549)</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS**

Page 2 Of 2

For The Year Ended June 30, 2014

	Third Street Road Improve- ments	Storm Water Improve- ment	Sidewalk Bond Program	Arterial Street Lights II	Salt Dome Bond #2	Todd George 50 HWY TIF	ERP System	Road Improve- ments	Tudor Road Improve- ments	Infrastruc- ture Improve- ments	Public Safety 10	Cultural Arts 2013 Bonds	Road Improve- ments 2013	Public Safety Equip- ment Replace- ment	Total Nonmajor Capital Projects Funds
Taxes															
Property	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 973,106	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,590,049
Sales	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7,951,568
License	—	—	—	—	—	—	—	—	—	—	—	—	—	—	593,724
Fees and fines	—	—	—	—	—	—	—	—	—	—	—	—	—	—	19,480
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—	—	—	728,930
Charges for services	46,602	—	—	—	—	—	—	—	—	—	—	—	—	—	72,769
Investment earnings	320	1,055	288	690	254	6,895	589	1,340	620	3,319	768	686	1,097	(5)	35,049
Other	—	313	—	—	—	11,733	—	—	—	—	—	—	—	—	208,380
<b>Total Revenues</b>	<b>46,922</b>	<b>1,368</b>	<b>288</b>	<b>690</b>	<b>254</b>	<b>991,734</b>	<b>589</b>	<b>1,340</b>	<b>620</b>	<b>3,319</b>	<b>768</b>	<b>686</b>	<b>1,097</b>	<b>(5)</b>	<b>14,199,949</b>
<b>Expenditures</b>															
General government	—	—	—	—	—	—	—	—	—	—	—	55,854	—	—	56,122
Debt service															
Principal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,175,000
Interest and other charges	—	(523)	44	75	—	—	—	—	34	—	—	44	31	—	1,377,020
Capital outlay	—	2,676,011	308,068	172,825	—	1,619,834	12,947	189,873	2,371,724	3,049,852	7,051,412	93,745	247,687	—	30,353,297
<b>Total Expenditures</b>	<b>—</b>	<b>2,675,488</b>	<b>308,112</b>	<b>172,900</b>	<b>—</b>	<b>1,619,834</b>	<b>12,947</b>	<b>189,873</b>	<b>2,371,758</b>	<b>3,049,852</b>	<b>7,051,412</b>	<b>149,643</b>	<b>247,718</b>	<b>—</b>	<b>32,961,439</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>46,922</b>	<b>(2,674,120)</b>	<b>(307,824)</b>	<b>(172,210)</b>	<b>254</b>	<b>(628,100)</b>	<b>(12,358)</b>	<b>(188,533)</b>	<b>(2,371,138)</b>	<b>(3,046,533)</b>	<b>(7,050,644)</b>	<b>(148,957)</b>	<b>(246,621)</b>	<b>(5)</b>	<b>(18,761,490)</b>
<b>Other Financing Sources (Uses)</b>															
Issuance of bonds	—	—	—	—	—	—	—	—	—	—	—	2,609,641	4,147,898	—	6,757,539
Premium on issuance of bonds	—	—	—	—	—	—	—	—	—	—	—	252,811	401,832	—	654,643
Transfers in	—	—	—	—	—	—	—	—	—	723	400,000	—	—	17,000	1,085,723
Transfers out	—	—	—	—	—	—	—	(723)	—	—	—	—	—	—	(1,267)
<b>Total Other Financing Sources</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(723)</b>	<b>—</b>	<b>723</b>	<b>400,000</b>	<b>2,862,452</b>	<b>4,549,730</b>	<b>17,000</b>	<b>8,496,638</b>
<b>Net Change In Fund Balances</b>	<b>46,922</b>	<b>(2,674,120)</b>	<b>(307,824)</b>	<b>(172,210)</b>	<b>254</b>	<b>(628,100)</b>	<b>(12,358)</b>	<b>(189,256)</b>	<b>(2,371,138)</b>	<b>(3,045,810)</b>	<b>(6,650,644)</b>	<b>2,713,495</b>	<b>4,303,109</b>	<b>16,995</b>	<b>(10,264,852)</b>
<b>Fund Balances - Beginning</b>	<b>(49,566)</b>	<b>6,318,511</b>	<b>307,798</b>	<b>438,130</b>	<b>(58,547)</b>	<b>1,494,164</b>	<b>121,130</b>	<b>2,455,620</b>	<b>2,913,602</b>	<b>3,488,748</b>	<b>6,963,353</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>33,130,687</b>
<b>Fund Balances - Ending</b>	<b>\$ (2,644)</b>	<b>\$ 3,644,391</b>	<b>\$ (26)</b>	<b>\$ 265,920</b>	<b>\$ (58,293)</b>	<b>\$ 866,064</b>	<b>\$ 108,772</b>	<b>\$ 2,266,364</b>	<b>\$ 542,464</b>	<b>\$ 442,938</b>	<b>\$ 312,709</b>	<b>\$ 2,713,495</b>	<b>\$ 4,303,109</b>	<b>\$ 16,995</b>	<b>\$ 22,865,835</b>



**CITY OF LEE'S SUMMIT, MISSOURI**

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE**

**For The Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variances</u> With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
Property taxes	\$ 7,734,741	\$ 7,734,741	\$ 7,894,182	\$ 159,441
Sales	3,116,067	3,116,067	3,179,966	63,899
Other tax	—	—	15,174	15,174
Fines and forfeitures	—	—	62,163	62,163
Investment earnings	—	—	28,512	28,512
Other	—	—	4,270	4,270
<b>Total Revenues</b>	<b>10,850,808</b>	<b>10,850,808</b>	<b>11,184,267</b>	<b>333,459</b>
<b>Expenditures</b>				
Debt Service:				
Principal	6,100,000	6,100,000	7,570,000	(1,470,000)
Interest and other charges	1,765,571	1,765,571	2,129,795	(364,224)
<b>Total Expenditures</b>	<b>7,865,571</b>	<b>7,865,571</b>	<b>9,699,795</b>	<b>(1,834,224)</b>
<b>Excess Of Revenues Over</b> <b>Expenditures</b>	<b>2,985,237</b>	<b>2,985,237</b>	<b>1,484,472</b>	<b>(1,500,765)</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	—	—	82,461	82,461
Transfers in	—	—	544	544
Transfers out	(1,375,000)	(1,375,000)	(1,375,000)	—
<b>Total Other Financing Sources (Uses)</b>	<b>(1,375,000)</b>	<b>(1,375,000)</b>	<b>(1,291,995)</b>	<b>83,005</b>
<b>Net Change In Fund Balances</b>	<b>1,610,237</b>	<b>1,610,237</b>	<b>192,477</b>	<b>(1,417,760)</b>
<b>Fund Balances - Beginning</b>	<b>8,954,615</b>	<b>8,954,615</b>	<b>8,954,615</b>	<b>—</b>
<b>Fund Balances - Ending</b>	<b>\$ 10,564,852</b>	<b>\$ 10,564,852</b>	<b>\$ 9,147,092</b>	<b>\$ (1,417,760)</b>

# CITY OF LEE'S SUMMIT, MISSOURI

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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City's Internal Service Funds are as follows:

***Central Vehicle Services*** - Established to account for operating a central maintenance facility for the City's vehicles and equipment.

***Unemployment Insurance*** - Established to account for self-insurance funding for any unemployment claims filed by terminated City employees.

***Insurance Reserve Fund*** - Established to account for premium refunds and special assessment charges for self-insurance funding for health and dental liability claims.

***Information Technology Services (ITS)*** - Established to account for the City's electronic data processing systems and information services provided for City departments.

***Short-term Disability Fund*** - Established to provide compensation for City employees who are ill and who have exhausted all sick time but are not yet eligible for long-term disability (90 days).

***Workers' Compensation Self-Insurance Fund*** - Established to account for self-insurance funding for any workers' compensation claims filed by City employees.

***Central Building Services (CBS)*** - Established to centralize services related to operations and maintenance of city owned buildings and to account for funding of capital maintenance projects related to the replacement of major building components.

# CITY OF LEE'S SUMMIT, MISSOURI

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS June 30, 2014

	Central Vehicle Services	Unemployment Insurance	Insurance Reserve	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
<b>Assets</b>								
Current assets								
Cash and investments	\$ 1,629,508	\$ 63,910	\$ 49,477	\$ 2,607,471	\$ 114,382	\$ 1,784,910	\$ 1,195,452	\$ 7,445,110
Receivables (net of allowance)								
Accounts and other	—	—	—	—	—	17,012	—	17,012
Interest receivable	2,371	220	1,048	2,615	102	1,751	1,937	10,044
Inventories	150,008	—	—	—	—	—	—	150,008
Prepaid expenses	—	—	—	5,777	—	—	13	5,790
Other assets	—	—	—	—	—	—	—	—
<b>Total current assets</b>	<b>1,781,887</b>	<b>64,130</b>	<b>50,525</b>	<b>2,615,863</b>	<b>114,484</b>	<b>1,803,673</b>	<b>1,197,402</b>	<b>7,627,964</b>
Noncurrent assets								
Capital assets								
Nondepreciable	104,250	—	—	—	—	—	—	104,250
Depreciable, net	9,392,362	—	—	242,735	—	—	955,857	10,590,954
<b>Total noncurrent assets</b>	<b>9,496,612</b>	<b>—</b>	<b>—</b>	<b>242,735</b>	<b>—</b>	<b>—</b>	<b>955,857</b>	<b>10,695,204</b>
<b>Total Assets</b>	<b>11,278,499</b>	<b>64,130</b>	<b>50,525</b>	<b>2,858,598</b>	<b>114,484</b>	<b>1,803,673</b>	<b>2,153,259</b>	<b>18,323,168</b>
<b>Liabilities</b>								
Current liabilities								
Accounts payable	37,396	—	33,604	3,892	—	772,814	47,698	895,404
Salaries payable	16,406	—	—	47,309	—	—	12,525	76,240
Compensated absences	16,634	—	—	7,890	—	—	1,781	26,305
<b>Total current liabilities</b>	<b>70,436</b>	<b>—</b>	<b>33,604</b>	<b>59,091</b>	<b>—</b>	<b>772,814</b>	<b>62,004</b>	<b>997,949</b>
Noncurrent liabilities								
Compensated absences	25,434	—	—	91,470	—	—	29,799	146,703
Other post employment benefits	29,264	—	—	44,526	—	—	24,429	98,219
<b>Total noncurrent liabilities</b>	<b>54,698</b>	<b>—</b>	<b>—</b>	<b>135,996</b>	<b>—</b>	<b>—</b>	<b>54,228</b>	<b>244,922</b>
<b>Total Liabilities</b>	<b>125,134</b>	<b>—</b>	<b>33,604</b>	<b>195,087</b>	<b>—</b>	<b>772,814</b>	<b>116,232</b>	<b>1,242,871</b>
<b>Net Position</b>								
Net investment in capital assets	9,496,612	—	—	242,735	—	—	955,857	10,695,204
Unrestricted	1,656,753	64,130	16,921	2,420,776	114,484	1,030,859	1,081,170	6,385,093
<b>Total Net Position</b>	<b>\$ 11,153,365</b>	<b>\$ 64,130</b>	<b>\$ 16,921</b>	<b>\$ 2,663,511</b>	<b>\$ 114,484</b>	<b>\$ 1,030,859</b>	<b>\$ 2,037,027</b>	<b>\$ 17,080,297</b>

## CITY OF LEE'S SUMMIT, MISSOURI

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For The Year Ended June 30, 2014

	Central Vehicle Services	Unemployment Insurance	Insurance Reserve	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
<b>Operating Revenues</b>								
Charges for services	\$ 2,489,656	\$ —	\$ —	\$ 2,881,581	\$ 30,682	\$ 460,698	\$ 1,093,026	\$ 6,955,643
Other	5,190	—	11,088	—	—	8,170	—	24,448
<b>Total Operating Revenues</b>	<b>2,494,846</b>	<b>—</b>	<b>11,088</b>	<b>2,881,581</b>	<b>30,682</b>	<b>468,868</b>	<b>1,093,026</b>	<b>6,980,091</b>
<b>Operating Expenses</b>								
Salaries, wages and employee benefits	620,592	—	—	1,699,557	7,874	—	496,958	2,824,981
Utilities	52,209	—	—	—	—	—	242,613	294,822
Repairs and maintenance	21,942	—	—	362,807	—	—	75,179	459,928
Fuels and lubricants	2,484	—	—	314	—	—	3,357	6,155
Depreciation	2,487,207	—	—	82,061	—	—	77,595	2,646,863
Interdepartment charges	87,016	—	—	292,748	—	—	35,807	415,571
Miscellaneous	145,132	40,650	193,211	582,587	—	450,457	99,752	1,511,789
<b>Total Operating Expenses</b>	<b>3,416,582</b>	<b>40,650</b>	<b>193,211</b>	<b>3,020,074</b>	<b>7,874</b>	<b>450,457</b>	<b>1,031,261</b>	<b>8,160,109</b>
<b>Operating Income (Loss)</b>	<b>(921,736)</b>	<b>(40,650)</b>	<b>(182,123)</b>	<b>(138,493)</b>	<b>22,808</b>	<b>18,411</b>	<b>61,765</b>	<b>(1,180,018)</b>
<b>Nonoperating Revenue</b>								
Interest income	908	646	311	12,187	197	10,890	12,673	37,812
Gain on disposal of capital assets	304,521	—	—	—	—	—	—	304,521
<b>Total Nonoperating Revenue</b>	<b>305,429</b>	<b>646</b>	<b>311</b>	<b>12,187</b>	<b>197</b>	<b>10,890</b>	<b>12,673</b>	<b>342,333</b>
<b>Income (Loss) Before Transfers</b>	<b>(616,307)</b>	<b>(40,004)</b>	<b>(181,812)</b>	<b>(126,306)</b>	<b>23,005</b>	<b>29,301</b>	<b>74,438</b>	<b>(837,685)</b>
Transfers in	—	—	150,000	79,446	—	—	—	229,446
Transfers out	(79,800)	—	—	(45,000)	—	—	(5,968)	(130,768)
<b>Change In Net Position</b>	<b>(696,107)</b>	<b>(40,004)</b>	<b>(31,812)</b>	<b>(91,860)</b>	<b>23,005</b>	<b>29,301</b>	<b>68,470</b>	<b>(739,007)</b>
<b>Total Net Position - Beginning</b>	<b>11,849,472</b>	<b>104,134</b>	<b>48,733</b>	<b>2,755,371</b>	<b>91,479</b>	<b>1,001,558</b>	<b>1,968,557</b>	<b>17,819,304</b>
<b>Total Net Position - Ending</b>	<b>\$ 11,153,365</b>	<b>\$ 64,130</b>	<b>\$ 16,921</b>	<b>\$ 2,663,511</b>	<b>\$ 114,484</b>	<b>\$ 1,030,859</b>	<b>\$ 2,037,027</b>	<b>\$ 17,080,297</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For The Year Ended June 30, 2014**

	Central Vehicle Services	Unemployment Insurance	Insurance Reserve	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
<b>Cash Flows From Operating Activities</b>								
Cash received from customers	\$ 2,494,846	\$ —	\$ 11,088	\$ 2,881,581	\$ 30,682	\$ 466,978	\$ 1,093,026	\$ 6,978,201
Cash paid to suppliers	(345,915)	(41,085)	(166,249)	(1,273,061)	—	(478,176)	(434,957)	(2,739,443)
Cash paid to employees	(610,526)	—	—	(1,684,044)	(8,449)	—	(494,852)	(2,797,871)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>1,538,405</b>	<b>(41,085)</b>	<b>(155,161)</b>	<b>(75,524)</b>	<b>22,233</b>	<b>(11,198)</b>	<b>163,217</b>	<b>1,440,887</b>
<b>Cash Flows From Noncapital Financing Activities</b>								
Transfers in	—	—	150,000	79,446	—	—	—	229,446
Transfers out	(79,800)	—	—	(45,000)	—	—	(5,968)	(130,768)
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<b>(79,800)</b>	<b>—</b>	<b>150,000</b>	<b>34,446</b>	<b>—</b>	<b>—</b>	<b>(5,968)</b>	<b>98,678</b>
<b>Cash Flows From Capital And Related Financing Activities</b>								
Additions to capital assets	(2,246,579)	—	—	(74,086)	—	—	(199,544)	(2,520,209)
Proceeds from sale of capital assets	330,269	—	—	—	—	—	—	330,269
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(1,916,310)</b>	<b>—</b>	<b>—</b>	<b>(74,086)</b>	<b>—</b>	<b>—</b>	<b>(199,544)</b>	<b>(2,189,940)</b>
<b>Cash Flows Provided By Investing Activities</b>								
Interest received	4,513	929	480	17,199	301	14,757	15,782	53,961
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(453,192)</b>	<b>(40,156)</b>	<b>(4,681)</b>	<b>(97,965)</b>	<b>22,534</b>	<b>3,559</b>	<b>(26,513)</b>	<b>(596,414)</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>2,082,700</b>	<b>104,066</b>	<b>54,158</b>	<b>2,705,436</b>	<b>91,848</b>	<b>1,781,351</b>	<b>1,221,965</b>	<b>8,041,524</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 1,629,508</b>	<b>\$ 63,910</b>	<b>\$ 49,477</b>	<b>\$ 2,607,471</b>	<b>\$ 114,382</b>	<b>\$ 1,784,910</b>	<b>\$ 1,195,452</b>	<b>\$ 7,445,110</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ (921,736)	\$ (40,650)	\$ (182,123)	\$ (138,493)	\$ 22,808	\$ 18,411	\$ 61,765	\$ (1,180,018)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	2,487,207	—	—	82,061	—	—	77,595	2,646,863
Changes in assets and liabilities:								
Decrease in inventories	3,693	—	—	—	—	—	—	3,693
Increase in accounts receivable	—	—	—	—	—	(1,890)	—	(1,890)
Increase in prepaid expenses	—	—	—	(1,755)	—	—	—	(1,755)
Decrease in other assets	—	—	—	—	—	931	—	931
Increase (decrease) in accounts payable	(40,825)	(435)	26,962	(32,850)	—	(28,650)	21,751	(54,047)
Increase (decrease) in salaries and wages payable	2,387	—	—	6,856	(575)	—	882	9,550
Increase in other post employment benefits	3,694	—	—	7,700	—	—	3,139	14,533
Increase (decrease) in accrued compensated absences	3,985	—	—	957	—	—	(1,915)	3,027
Total adjustments	2,460,141	(435)	26,962	62,969	(575)	(29,609)	101,452	2,620,905
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 1,538,405</b>	<b>\$ (41,085)</b>	<b>\$ (155,161)</b>	<b>\$ (75,524)</b>	<b>\$ 22,233</b>	<b>\$ (11,198)</b>	<b>\$ 163,217</b>	<b>\$ 1,440,887</b>

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**Statistical Section  
(Unaudited)**

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# Lee's Summit, Missouri

## Statistical Section

This part of the City of Lee's Summit's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	67
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	73
These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.	
Debt Capacity	79
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	83
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	86
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs	

# CITY OF LEE'S SUMMIT, MISSOURI

## NET POSITION BY COMPONENT Last Ten Fiscal Years (Accrual Basis Of Accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 195,238,305	\$ 271,248,246	\$ 268,374,160	\$ 318,493,023	\$ 347,357,418	\$ 367,750,571	\$ 388,840,510	\$ 395,912,631	\$ 403,957,177	\$ 414,531,277
Restricted	—	—	22,781,337	25,677,019	24,641,173	16,223,089	47,738,657	39,690,100	68,519,039	59,637,888
Unrestricted	85,965,597	124,673,675	45,828,361	23,999,251	25,320,421	33,900,453	(17,532,497)	(1,778,161)	(30,132,403)	(17,684,391)
<b>Total governmental activities net position</b>	<b>\$ 281,203,902</b>	<b>\$ 395,921,921</b>	<b>\$ 336,983,858</b>	<b>\$ 368,169,293</b>	<b>\$ 397,319,012</b>	<b>\$ 417,874,113</b>	<b>\$ 419,046,670</b>	<b>\$ 433,824,570</b>	<b>\$ 442,343,813</b>	<b>\$ 456,484,774</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 140,886,421	\$ 189,358,113	\$ 170,092,880	\$ 176,522,686	\$ 189,410,131	\$ 200,815,159	\$ 208,202,388	\$ 211,065,125	\$ 212,923,508	\$ 220,630,436
Restricted	1,921,513	2,250,958	33,686,074	35,241,087	33,179,870	32,355,420	26,915,369	29,539,755	33,282,263	33,273,761
Unrestricted	32,185,864	41,963,890	3,665,286	6,490,633	4,939,002	(225,754)	15,830	(2,277,021)	(2,281,926)	1,060,383
<b>Total business-type activities net position</b>	<b>\$ 174,993,798</b>	<b>\$ 233,572,961</b>	<b>\$ 207,444,240</b>	<b>\$ 218,254,406</b>	<b>\$ 227,529,003</b>	<b>\$ 232,944,825</b>	<b>\$ 235,133,587</b>	<b>\$ 238,327,859</b>	<b>\$ 243,923,845</b>	<b>\$ 254,964,580</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 336,124,726	\$ 460,606,359	\$ 438,467,040	\$ 495,015,709	\$ 536,767,549	\$ 568,565,730	\$ 597,042,898	\$ 606,977,756	\$ 616,880,685	\$ 635,161,713
Restricted	1,921,513	2,250,958	56,467,411	60,918,106	57,821,043	48,578,509	74,654,026	69,229,855	101,801,302	92,911,649
Unrestricted	118,151,461	166,637,565	49,493,647	30,489,884	30,259,423	33,674,699	(17,516,667)	(4,055,182)	(32,414,329)	(16,624,008)
<b>Total primary government net position</b>	<b>\$ 456,197,700</b>	<b>\$ 629,494,882</b>	<b>\$ 544,428,098</b>	<b>\$ 586,423,699</b>	<b>\$ 624,848,015</b>	<b>\$ 650,818,938</b>	<b>\$ 654,180,257</b>	<b>\$ 672,152,429</b>	<b>\$ 686,267,658</b>	<b>\$ 711,449,354</b>



# CITY OF LEE'S SUMMIT, MISSOURI

## CHANGES IN NET POSITION Last Ten Fiscal Years (Accrual Basis Of Accounting) Page 1 Of 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities										
Public works and streets	\$ 20,729,748	\$ 13,050,566	\$ 28,530,677	\$ 24,315,160	\$ 17,096,253	\$ 18,589,088	\$ 36,254,828	\$ 18,286,042	\$ 23,836,549	\$ 16,429,506
Public safety	25,897,644	30,610,276	29,091,623	32,717,551	32,784,126	33,569,829	36,379,439	39,839,950	40,435,341	40,972,082
Parks and recreation	4,421,565	4,794,351	5,979,484	6,661,913	7,182,799	7,027,799	7,491,321	7,927,148	7,761,931	7,897,133
Planning and development	793,067	851,343	996,657	1,127,859	1,055,523	957,816	948,798	940,979	904,265	894,521
General government	10,628,906	13,828,963	10,847,633	27,343,082	16,362,262	16,352,917	18,438,529	16,992,428	16,793,993	18,346,278
Interest on long-term debt	2,338,625	2,325,784	2,606,257	2,604,665	3,093,910	2,857,436	4,604,626	3,745,099	4,287,131	3,171,310
<b>Total governmental activities expenses</b>	<b>64,809,555</b>	<b>65,461,283</b>	<b>78,052,331</b>	<b>94,770,230</b>	<b>77,574,873</b>	<b>79,354,885</b>	<b>79,354,885</b>	<b>87,731,646</b>	<b>94,019,210</b>	<b>87,710,830</b>
Business-type activities										
Waterworks and sewerage system	19,783,903	21,885,768	22,098,586	21,625,664	22,439,078	21,439,285	22,341,294	24,556,071	25,063,889	25,871,350
Sanitary landfill	2,838,234	2,632,034	2,571,247	2,730,052	2,260,489	2,451,476	4,108,646	3,205,632	2,867,606	2,873,343
Airport	1,262,356	1,702,652	1,426,900	1,717,974	1,744,777	1,489,979	2,121,901	2,146,464	2,052,157	2,012,142
Recreation center	701,088	873,576	689,699	700,386	1,127,142	1,234,450	1,295,805	1,268,716	1,186,856	1,041,426
<b>Total business-type activities expenses</b>	<b>24,585,581</b>	<b>27,094,030</b>	<b>26,786,432</b>	<b>26,774,076</b>	<b>27,571,486</b>	<b>26,615,190</b>	<b>26,615,190</b>	<b>31,176,883</b>	<b>31,170,508</b>	<b>31,798,261</b>
<b>Total primary government expenses</b>	<b>89,395,136</b>	<b>92,555,313</b>	<b>104,838,763</b>	<b>121,544,306</b>	<b>105,146,359</b>	<b>105,970,075</b>	<b>105,970,075</b>	<b>118,908,529</b>	<b>125,189,718</b>	<b>119,509,091</b>
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
Public works and streets	379,543	1,047,323	1,971,762	528,090	229,237	122,053	124,975	141,277	358,852	600,144
Public safety	3,769,771	3,882,943	3,828,994	4,290,547	4,064,716	4,351,615	4,237,673	4,572,306	4,667,249	4,502,832
Parks and recreation	1,236,465	1,493,466	1,720,768	1,706,070	1,908,112	2,039,612	2,184,127	2,409,223	2,381,440	2,825,122
Planning and development	69,020	222,229	305,029	243,875	119,625	103,360	122,371	153,963	130,251	124,325
General government	2,417,009	2,016,546	2,270,212	2,002,955	1,946,117	1,929,236	1,562,856	1,827,798	1,790,781	1,817,541
Operating grants and contributions	2,970,703	7,120,522	3,210,418	3,324,353	2,843,958	2,608,621	5,664,487	3,046,594	1,400,858	1,169,331
Capital grants and contributions	11,182,217	—	8,484,471	12,251,710	6,432,484	2,857,211	1,725,891	4,322,416	1,921,135	3,188,981
<b>Total governmental activities program revenues</b>	<b>22,024,728</b>	<b>15,783,029</b>	<b>21,791,654</b>	<b>24,347,600</b>	<b>17,544,249</b>	<b>14,011,708</b>	<b>14,011,708</b>	<b>16,473,577</b>	<b>12,650,566</b>	<b>14,228,276</b>
Business-type activities										
Charges for services										
Waterworks and sewerage system	26,575,452	27,863,510	28,854,605	27,825,359	25,978,839	25,472,281	26,474,620	28,899,909	31,413,865	33,357,588
Sanitary landfill	2,687,996	2,755,723	2,714,978	2,508,750	2,531,502	2,071,725	2,881,382	2,583,031	2,346,247	2,942,970
Airport	902,410	1,085,046	1,001,628	1,195,026	1,118,415	1,048,659	1,217,812	1,454,730	1,456,710	1,403,945
Recreation center	788,274	869,720	657,134	662,132	849,238	970,765	1,082,156	1,114,367	1,208,496	1,046,554
Capital grants and contributions	3,498,050	4,394,554	11,578,303	4,707,840	5,587,682	2,221,289	1,134,261	1,200,056	1,191,530	4,345,037
<b>Total business type activities program revenues</b>	<b>34,452,182</b>	<b>36,968,553</b>	<b>44,806,648</b>	<b>36,899,107</b>	<b>36,065,676</b>	<b>31,784,719</b>	<b>32,790,231</b>	<b>35,252,093</b>	<b>37,616,848</b>	<b>43,096,094</b>
<b>Total primary government revenues</b>	<b>56,476,910</b>	<b>52,751,582</b>	<b>66,598,302</b>	<b>61,246,707</b>	<b>53,609,925</b>	<b>45,796,427</b>	<b>46,801,939</b>	<b>51,725,670</b>	<b>50,267,414</b>	<b>57,324,370</b>

# CITY OF LEE'S SUMMIT, MISSOURI

## CHANGES IN NET POSITION Last Ten Fiscal Years (Accrual Basis Of Accounting) Page 2 Of 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (42,784,827)	\$ (49,678,254)	\$ (56,260,677)	\$ (70,422,630)	\$ (60,030,624)	\$ (65,343,177)	\$ (65,343,177)	\$ (71,258,069)	\$ (81,368,644)	\$ (73,482,554)
Business-type activities	9,866,601	9,874,523	18,020,216	10,125,031	8,494,190	5,169,529	6,175,041	4,075,210	6,446,340	11,297,833
<b>Total primary government net expense</b>	<b>(32,918,226)</b>	<b>(39,803,731)</b>	<b>(38,240,461)</b>	<b>(60,297,599)</b>	<b>(51,536,434)</b>	<b>(60,173,648)</b>	<b>(59,168,136)</b>	<b>(67,182,859)</b>	<b>(74,922,304)</b>	<b>(62,184,721)</b>
<b>General Revenues And Other Changes In Net Position</b>										
Governmental activities										
General revenues										
Property taxes	29,071,584	31,767,813	32,179,406	34,826,369	36,978,616	38,276,295	38,698,817	36,430,730	35,456,745	33,714,179
Sales and use taxes	26,479,480	28,369,222	28,197,210	28,981,264	27,235,214	26,566,723	28,720,660	29,762,456	32,191,356	32,220,496
Franchise fees	7,991,553	8,617,948	9,022,063	14,662,791	12,736,943	14,825,593	16,249,638	13,743,797	14,080,374	14,083,783
License taxes	—	—	—	—	—	—	458,972	613,669	552,206	600,233
Motor vehicle taxes	—	—	—	—	—	—	—	—	3,262,217	3,397,313
License, permits, fines and forfeitures	1,497,236	1,443,066	4,073,268	6,632,484	6,522,094	2,797,132	3,290,249	2,853,482	2,206,013	2,548,479
Revenues from use of money and property	1,792,049	3,187,915	5,752,661	4,689,430	2,184,572	370,871	681,673	606,847	372,899	314,089
Other revenue	1,810,229	3,086,832	404,198	331,941	94,938	301,952	243,073	258,110	705,780	304,521
Transfers	2,699,648	2,818,505	2,462,646	2,567,891	1,682,948	2,128,600	1,324,636	1,766,878	1,060,297	440,422
<b>Total governmental activities</b>	<b>71,341,779</b>	<b>79,291,301</b>	<b>82,091,452</b>	<b>92,692,170</b>	<b>87,435,325</b>	<b>85,267,166</b>	<b>89,667,718</b>	<b>86,035,969</b>	<b>89,887,887</b>	<b>87,623,515</b>
Business-type activities										
General revenues										
Revenues from use of money and property	1,191,954	1,444,627	2,588,566	2,709,663	1,401,400	400	325,226	236,172	209,943	183,324
Other revenue	2,299,961	5,707,126	676,794	768,363	1,061,955	1,951,491	265,587	649,768	—	—
Transfers	(2,699,648)	(2,818,505)	(2,462,646)	(2,567,891)	(1,682,948)	(2,128,600)	(1,324,636)	(1,766,878)	(1,060,297)	(440,422)
<b>Total business-type activities</b>	<b>792,267</b>	<b>4,333,248</b>	<b>802,714</b>	<b>910,135</b>	<b>780,407</b>	<b>(176,709)</b>	<b>(733,823)</b>	<b>(880,938)</b>	<b>(850,354)</b>	<b>(257,098)</b>
<b>Total primary government</b>	<b>72,134,046</b>	<b>83,624,549</b>	<b>82,894,166</b>	<b>93,602,305</b>	<b>88,215,732</b>	<b>85,090,457</b>	<b>88,933,895</b>	<b>85,155,031</b>	<b>89,037,533</b>	<b>87,366,417</b>
<b>Change In Net Position</b>										
Governmental activities	28,556,952	29,613,047	25,830,775	22,269,540	27,404,701	19,923,989	24,324,541	14,777,900	8,519,243	14,140,961
Business-type activities	10,658,868	14,207,771	18,822,930	11,035,166	9,274,597	4,992,820	5,441,218	3,194,272	5,595,986	11,040,735
<b>Total city</b>	<b>\$ 39,215,820</b>	<b>\$ 43,820,818</b>	<b>\$ 44,653,705</b>	<b>\$ 33,304,706</b>	<b>\$ 36,679,298</b>	<b>\$ 24,916,809</b>	<b>\$ 29,765,759</b>	<b>\$ 17,972,172</b>	<b>\$ 14,115,229</b>	<b>\$ 25,181,696</b>

**CITY OF LEE'S SUMMIT, MISSOURI**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis Of Accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 5,187	\$ 58	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved	24,492,315	24,149,822	15,940,698	21,201,763	23,217,065	27,326,459	—	—	—	—
Nonspendable	—	—	—	—	—	—	7,109,433	2,838,778	2,368,183	1,926,540
Unassigned	—	—	—	—	—	—	5,062,318	10,068,387	12,485,754	15,393,241
<b>Total general fund</b>	<b>\$ 24,497,502</b>	<b>\$ 24,149,880</b>	<b>\$ 15,940,698</b>	<b>\$ 21,201,763</b>	<b>\$ 23,217,065</b>	<b>\$ 27,326,459</b>	<b>\$ 12,171,751</b>	<b>\$ 12,907,165</b>	<b>\$ 14,853,937</b>	<b>\$ 17,319,781</b>
All other governmental funds										
Unreserved, designated										
Debt service	\$ 6,539,672	\$ 4,124,774	\$ 6,948,934	\$ 9,479,421	\$ 9,335,782	\$ 7,612,321	\$ —	\$ —	\$ —	\$ —
Unreserved, reported in										
Special revenue funds	5,157,712	6,081,591	6,142,921	6,277,063	5,822,482	6,185,228	—	—	—	—
Capital project funds	43,318,473	43,692,398	53,364,050	52,467,053	37,229,807	27,331,585	—	—	—	—
Restricted/committed										
Assigned										
Debt service	—	—	—	—	—	—	6,680,546	6,927,878	8,954,615	9,147,092
Special revenue funds	—	—	—	—	—	—	6,558,759	7,119,249	8,271,128	8,810,480
Capital project funds	—	—	—	—	—	—	52,917,276	45,457,890	60,847,069	51,186,715
Unassigned										
Special revenue funds	—	—	—	—	—	—	(105,171)	(173,475)	(45,880)	259,998
Capital project funds	—	—	—	—	—	—	(5,650,774)	(6,160,575)	(3,248,190)	(2,252,156)
<b>Total all other governmental funds</b>	<b>\$ 55,015,857</b>	<b>\$ 53,898,763</b>	<b>\$ 66,455,905</b>	<b>\$ 68,223,537</b>	<b>\$ 52,388,071</b>	<b>\$ 41,129,134</b>	<b>\$ 60,400,636</b>	<b>\$ 53,170,967</b>	<b>\$ 74,778,742</b>	<b>\$ 67,152,129</b>

(1) GASB 54 was implemented during fiscal year 2011. The City did not restate fund balance in prior years to comply with the new presentation format.

# CITY OF LEE'S SUMMIT, MISSOURI

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis Of Accounting)

Page 1 Of 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes:										
Property	\$ 28,980,235	\$ 31,125,831	\$ 32,103,628	\$ 32,995,034	\$ 36,025,629	\$ 37,424,151	\$ 38,520,943	\$ 36,807,871	\$ 35,371,737	\$ 33,631,009
Sales	26,161,122	28,032,328	27,863,482	28,572,537	27,235,214	26,566,723	28,720,660	29,762,456	31,537,249	31,506,326
Franchise	7,991,553	8,617,948	9,022,063	14,662,791	12,736,943	14,825,593	16,249,638	13,743,797	14,080,374	14,083,783
License	1,497,236	1,443,066	995,950	1,246,919	320,284	666,550	458,972	613,669	830,823	593,724
Bed	318,358	336,894	333,728	408,727	351,854	311,027	334,472	297,045	310,884	342,603
Motor vehicle	—	—	—	—	—	—	—	—	3,262,217	3,397,313
Other tax	—	—	—	—	—	—	—	—	343,223	371,567
Intergovernmental	2,970,703	7,120,522	6,958,803	5,902,434	1,601,620	2,720,659	5,768,509	3,270,638	2,397,443	1,429,137
Charges for services	2,916,106	2,981,095	3,335,611	3,669,795	3,048,308	3,536,567	3,443,051	3,767,188	3,844,620	1,757,827
Licenses and permits	3,154,345	3,927,153	4,132,411	3,407,950	3,561,666	3,172,705	3,312,931	3,552,866	3,831,801	1,898,261
Fines and forfeitures	1,801,357	1,754,259	1,632,793	1,685,351	3,214,037	1,525,577	1,476,020	1,487,468	1,652,152	6,683,000
Interest	1,739,332	3,187,915	5,141,994	4,076,656	1,887,689	355,711	624,550	558,840	324,724	276,277
Other	4,703,028	2,895,123	4,073,268	6,640,923	11,925,934	2,653,906	2,790,229	2,853,482	2,206,013	2,548,479
<b>Total Revenues</b>	<b>82,233,375</b>	<b>91,422,134</b>	<b>95,593,731</b>	<b>103,269,117</b>	<b>101,909,178</b>	<b>93,759,169</b>	<b>101,699,975</b>	<b>96,715,320</b>	<b>99,993,260</b>	<b>98,519,306</b>
<b>Expenditures</b>										
Current										
General government	8,887,766	9,899,765	10,547,111	10,711,595	9,960,732	9,903,683	28,034,317	12,248,109	11,930,212	11,728,975
Public works and streets	7,613,074	9,026,371	9,998,734	10,229,253	31,748,561	10,630,529	10,477,224	10,103,785	10,927,267	10,761,292
Public safety	23,673,253	26,285,657	27,983,655	30,808,723	10,620,789	32,544,577	33,179,819	33,423,433	34,131,490	34,361,768
Community development	745,017	851,343	996,657	1,127,859	1,055,523	957,816	948,798	940,979	904,265	894,521
Parks and recreation	3,928,746	4,221,016	4,766,431	5,197,900	5,753,927	5,367,440	5,743,896	6,038,617	5,612,207	5,880,029
Debt service										
Principal retirements	6,650,000	11,525,000	8,175,000	9,765,000	9,025,000	10,520,000	9,255,000	12,510,000	27,195,000	8,745,000
Interest and fiscal charges	2,369,883	2,268,297	2,922,990	2,618,185	3,072,474	2,721,034	4,592,654	3,577,259	3,521,740	3,506,820
Capital outlay										
General government	8,541,860	13,144,007	—	—	—	—	1,205,332	1,153,562	1,027,783	12,947
Public works and streets	22,283,615	26,485,702	36,894,296	30,121,913	42,098,875	33,899,215	43,249,279	22,292,216	20,493,282	26,655,680
Public safety	13,301	659,925	2,914,649	2,168,011	371,660	193,224	2,183,247	1,532,546	2,278,350	7,085,710
Parks and recreation	471,617	1,205,846	6,057,450	14,876,232	5,085,195	1,023,734	594,310	565,270	631,283	1,883,720
<b>Total Expenditures</b>	<b>85,178,132</b>	<b>105,572,929</b>	<b>111,256,973</b>	<b>117,624,671</b>	<b>118,792,736</b>	<b>107,761,252</b>	<b>139,463,876</b>	<b>104,385,776</b>	<b>118,652,879</b>	<b>111,516,462</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

(Modified Accrual Basis Of Accounting)

Page 2 Of 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Deficiency Of Revenues Over Expenditures</b>	\$ (2,944,757)	\$ (14,150,795)	\$ (15,663,242)	\$ (14,355,554)	\$ (16,883,558)	\$ (14,002,083)	\$ (37,763,901)	\$ (7,670,456)	\$ (18,659,619)	\$ (12,997,156)
<b>Other Financing Sources (Uses)</b>										
Proceeds from bonds	—	11,475,000	17,095,000	—	—	5,000,000	39,300,000	—	38,100,000	6,840,000
Premium on issuance of bonds	—	—	—	—	—	98,075	510,796	—	3,338,722	654,643
Discount on issuance of bonds	—	—	—	—	—	—	(628,000)	—	—	—
Transfers in	5,968,551	15,154,900	17,527,289	5,049,555	14,820,477	5,802,385	7,213,175	4,493,756	4,738,640	3,674,877
Transfers out	(4,665,271)	(13,943,821)	(15,700,775)	(3,006,199)	(13,502,101)	(4,047,920)	(4,515,276)	(3,317,555)	(3,963,196)	(3,333,133)
<b>Total Other Financing Sources</b>	<b>1,303,280</b>	<b>12,686,079</b>	<b>18,921,514</b>	<b>2,043,356</b>	<b>1,318,376</b>	<b>6,852,540</b>	<b>41,880,695</b>	<b>1,176,201</b>	<b>42,214,166</b>	<b>7,836,387</b>
<b>Net change in fund balances</b>	<b>\$ (1,641,477)</b>	<b>\$ (1,464,716)</b>	<b>\$ 3,258,272</b>	<b>\$ (12,312,198)</b>	<b>\$ (15,565,182)</b>	<b>\$ (7,149,543)</b>	<b>\$ 4,116,794</b>	<b>\$ (6,494,255)</b>	<b>\$ 23,554,547</b>	<b>\$ (5,160,769)</b>
Debt service as a percentage of noncapital expenditures	16.4%	19.9%	14.0%	15.4%	15.9%	16.8%	11.8%	18.2%	28.4%	14.5%

# CITY OF LEE'S SUMMIT, MISSOURI

## PROGRAM REVENUES BY FUNCTION/PROGRAM Last Ten Fiscal Years (Accrual Basis Of Accounting)

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Public works	\$ 12,150,260	\$ 7,479,198	\$ 10,456,233	\$ 12,779,800	\$ 6,661,721	\$ 2,979,264	\$ 1,850,866	\$ 4,463,693	\$ 2,262,038	\$ 3,789,125
Public safety	4,799,508	4,961,412	4,805,304	5,368,925	4,933,305	5,032,806	5,252,875	5,604,458	5,609,585	5,294,681
Parks and recreation	1,258,812	1,563,486	2,036,544	1,740,070	1,926,112	2,126,592	2,345,650	2,409,223	2,381,440	2,825,937
Planning and development	75,939	223,310	305,029	243,875	119,625	103,360	122,371	153,963	140,779	124,325
General government	3,740,209	3,313,869	4,188,544	4,214,930	3,903,486	3,769,686	6,050,618	3,842,240	2,256,724	2,194,208
<b>Subtotal governmental activities</b>	<b>22,024,728</b>	<b>17,541,275</b>	<b>21,791,654</b>	<b>24,347,600</b>	<b>17,544,249</b>	<b>14,011,708</b>	<b>15,622,380</b>	<b>16,473,577</b>	<b>12,650,566</b>	<b>14,228,276</b>
Business-type activities										
Waterworks and sewerage system	30,073,502	32,258,064	30,779,904	30,793,474	27,213,137	25,711,528	27,226,409	29,686,664	31,841,944	34,172,355
Sanitary landfill	2,687,996	2,755,723	2,714,978	2,508,750	2,531,502	2,071,725	2,881,382	2,583,031	2,346,247	2,942,970
Airport	902,410	1,085,046	10,654,632	2,934,751	5,471,799	3,030,701	1,600,284	1,868,031	2,220,161	4,934,215
Recreation center	788,274	869,720	657,134	662,132	849,238	970,765	1,082,156	1,114,367	1,208,496	1,046,554
<b>Subtotal business-type activities</b>	<b>34,452,182</b>	<b>36,968,553</b>	<b>44,806,648</b>	<b>36,899,107</b>	<b>36,065,676</b>	<b>31,784,719</b>	<b>32,790,231</b>	<b>35,252,093</b>	<b>37,616,848</b>	<b>43,096,094</b>
<b>Total primary government</b>	<b>\$ 56,476,910</b>	<b>\$ 54,509,828</b>	<b>\$ 66,598,302</b>	<b>\$ 61,246,707</b>	<b>\$ 53,609,925</b>	<b>\$ 45,796,427</b>	<b>\$ 48,412,611</b>	<b>\$ 51,725,670</b>	<b>\$ 50,267,414</b>	<b>\$ 57,324,370</b>

**CITY OF LEE'S SUMMIT, MISSOURI**

**ALL GOVERNMENTAL FUNDS REVENUES BY SOURCE**

Last Ten Fiscal Years

(Modified Accrual Basis Of Accounting)

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Sales And Use Taxes</b>	<b>Motor Vehicle Taxes</b>	<b>Franchise Fees</b>	<b>Other Taxes</b>	<b>Licenses, Permits, Fines And Forfeitures</b>	<b>Revenues From Use Of Money And Property</b>	<b>Other Revenue</b>	<b>Total Revenues</b>
2005	\$ 29,071,584	\$ 26,479,480	\$ —	\$ 7,991,553	\$ —	\$ 1,497,236	\$ 2,984,003	\$ 4,110,190	\$ 72,134,046
2006	31,125,831	28,369,222	—	8,617,948	—	5,681,412	3,187,915	14,439,806	91,422,134
2007	32,103,628	27,863,482	—	9,022,063	—	5,765,204	5,141,994	15,697,360	95,593,731
2008	32,995,034	28,981,264	—	14,662,791	—	6,340,220	4,076,656	16,213,152	103,269,117
2009	36,025,629	27,235,214	—	12,736,943	—	4,970,212	1,887,689	19,053,491	101,909,178
2010	37,424,151	26,566,723	—	14,825,593	—	4,698,282	355,711	9,933,860	93,804,320
2011	38,520,943	28,720,660	—	16,249,638	—	4,788,951	624,550	12,795,233	101,699,975
2012	36,807,871	29,762,456	—	13,743,797	—	5,040,334	558,840	10,802,022	96,715,320
2013	35,371,737	31,537,249	3,262,217	14,080,374	1,484,930	5,483,953	324,724	8,448,076	99,993,260
2014	33,631,009	31,506,326	3,397,313	14,083,783	1,307,894	3,186,964	276,277	11,129,740	98,519,306

## CITY OF LEE'S SUMMIT, MISSOURI

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years

Fiscal Year	Real Property				Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value As A Percentage Of Actual Value
	Residential Property	Agricultural Property	Commercial Property	Total	Personal Property	Railroads And Utilities				
2005	\$ 822,447,123	\$ 963,964	\$ 186,583,979	\$ 1,009,995,066	\$ 252,168,352	\$ 21,088,029	\$ 1,283,251,447	1.5461	\$ 5,749,823,648	22.32%
2006	928,970,871	946,067	198,168,284	1,128,085,222	267,971,302	18,203,637	1,414,260,161	1.5276	6,385,400,767	22.15%
2007	981,291,207	1,054,725	208,889,586	1,191,235,518	291,183,542	16,703,573	1,499,122,633	1.5276	6,760,832,930	22.17%
2008	1,061,941,277	1,046,075	261,341,151	1,324,328,503	306,131,951	19,426,630	1,649,887,084	1.4926	7,402,953,802	22.29%
2009	1,086,693,800	1,130,329	258,032,434	1,345,856,563	308,454,126	16,778,622	1,671,089,311	1.4926	7,522,354,484	22.21%
2010	1,081,547,156	1,348,931	243,812,712	1,326,708,799	314,215,650	14,108,195	1,655,032,644	1.4926	7,461,957,208	22.18%
2011	1,090,366,221	1,826,726	233,119,537	1,325,312,484	303,852,879	24,844,210	1,654,009,573	1.5258	7,480,895,310	22.11%
2012	1,085,944,781	1,736,470	207,576,049	1,295,257,300	299,370,428	26,221,756	1,620,849,484	1.5258	7,367,770,686	22.00%
2013	1,096,348,979	1,432,067	212,077,219	1,309,858,265	298,510,960	30,316,580	1,638,685,805	1.5540	7,444,250,964	22.01%
2014	1,108,746,200	1,451,583	230,459,773	1,340,657,556	313,377,047	38,140,767	1,692,175,370	1.5540	7,636,606,943	22.16%

**Source:** Jackson County and Cass County

**Note:** The Cass County Assessor's Office does not break out the real property into residential, agricultural and commercial. Thus all real property associated with Cass County is shown as residential.

**Note:** Assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated market value.

**Note:** Assessed value does not include Abatement and/or TIF (Tax Increment Financing) values.



**CITY OF LEE'S SUMMIT, MISSOURI**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(Rate Per \$100 Of Assessed Value)  
Last Ten Fiscal Years**

Fiscal Year	City of Lee's Summit				Overlapping Rates (See Notes)				Total Direct And Overlapping Tax Rate
	General Fund	Park Board	Debt Service	Total Direct	Lee's Summit R-7 School District	Jackson County	State	Other	
2005	0.9057	0.1604	0.4800	1.5461	6.0666	0.5700	0.0300	0.7600	10.5188
2006	0.8900	0.1576	0.4800	1.5276	5.8902	0.5375	0.0300	0.7394	10.2523
2007	0.8900	0.1576	0.4800	1.5276	5.8919	0.5375	0.0300	0.7429	10.2575
2008	0.8690	0.1539	0.4697	1.4926	5.8116	0.5355	0.0300	0.5357	9.8980
2009	0.8690	0.1539	0.4697	1.4926	5.8359	0.5430	0.0300	0.7323	10.1264
2010	0.8690	0.1539	0.4697	1.4926	5.9347	0.5430	0.0300	0.7432	8.7435
2011	0.8966	0.1595	0.4697	1.5258	6.0548	0.5430	0.0300	0.7495	8.9031
2012	0.8966	0.1595	0.4697	1.5258	6.1050	0.5298	0.0300	0.7501	8.9407
2013	0.9213	0.1630	0.4697	1.5540	6.0579	0.5298	0.0300	0.7515	8.9232
2014	0.9213	0.1630	0.4697	1.5540	6.0627	0.5298	0.0300	0.7535	8.9300

Note (1): Five other school districts are in the City of Lee's Summit. Tax rates in these districts are:

Blue Springs	5.7286
Independence	5.6700
Hickman Mills	6.3217
Grandview	5.8936
Raymore-Peculiar	5.0397

Note (2): Cass County is located in the southern portion of the city (approximately 2 square miles). The Cass County tax rate is \$0.2300

Note (3): Other breakdown for current year:

Junior College	0.2369
Mental Health	0.1218
Handicap Workshop	0.0748
Library	0.3200
	<u>0.7535</u>

Note (4): Commercial real property is also assessed an additional "replacement tax" of \$1.437 per \$100 assessed value.

## CITY OF LEE'S SUMMIT, MISSOURI

### PRINCIPAL PROPERTY TAXPAYERS Current Year And Nine Years Ago

	2014			2005		
	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value
Kansas City Power & Light-GMOC (formerly Aquila)	\$ 29,087,486	1	1.72%	\$ 11,490,465	2	0.90%
Sprint	18,400,816	2	1.09%	4,408,814	9	0.34%
Summit Wood SPE LLC	13,173,632	3	0.78%			
John Knox Village	6,888,373	4	0.41%	7,212,371	4	0.56%
Cerner Corporation	5,195,879	5	0.31%			0.00%
Southern Union	4,838,731	6	0.29%	5,440,910	7	0.42%
Toys R Us	4,649,392	7	0.27%	6,520,204	5	0.51%
AMLIWS Summit Ridge LLC	4,104,196	8	0.24%	3,595,253	10	0.28%
Missouri Gas Energy	3,992,605	9	0.24%			
Wal-Mart	3,708,503	10	0.22%	4,828,300	8	0.38%
Sprint Spectrum				15,932,727	1	1.24%
Pfizer Chemical Company				7,491,555	3	0.58%
Southwestern Bell				6,200,187	6	0.48%
<b>Total</b>	<b>\$ 94,039,613</b>		<b>5.57%</b>	<b>\$ 73,120,786</b>		<b>5.69%</b>

Source: Jackson County Tax Department

**CITY OF LEE'S SUMMIT, MISSOURI**

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**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy For Fiscal Year</b>	<b>Collected Within The Fiscal Year Of The Levy</b>		<b>Collections In Subsequent Years</b>	<b>Total Collections To Date</b>	
		<b>Amount</b>	<b>Percentage Of Levy</b>		<b>Amount</b>	<b>Percentage Of Levy</b>
2005	\$ 19,576,491	\$ 18,171,917	92.8%	\$ 1,339,398	\$ 19,511,315	99.7%
2006	21,490,030	19,864,540	92.4%	1,554,894	21,419,434	99.7%
2007	22,305,148	21,156,122	94.8%	1,071,541	22,227,663	99.7%
2008	23,870,679	22,634,488	94.8%	1,137,704	23,772,192	99.6%
2009	24,703,017	23,359,076	94.6%	1,240,498	24,599,574	99.6%
2010	24,406,228	23,601,764	96.7%	708,136	24,309,900	99.6%
2011	24,874,955	24,200,420	97.3%	551,417	24,751,837	99.5%
2012	24,465,967	23,723,403	97.0%	433,332	24,156,735	98.7%
2013	25,046,007	24,273,164	96.9%	727,310	25,000,474	99.8%
2014	25,707,026	24,968,147	97.1%	—	24,968,147	97.1%

Note: Collections may exceed the levy due to adjustments made by the county subsequent to the initial levy.

Source: Jackson and Cass County

**CITY OF LEE'S SUMMIT, MISSOURI**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Population	Per Capita
	General Obligation Bonds	Certificates Of Participation	TIF Bonds	Certificates Of Participation	Revenue Bonds			
2005	\$ 34,512,616	\$ 11,995,000	\$ 13,800,000	\$ 821,262	\$ 34,992,151	\$ 96,121,029	85,642	\$ 1,122
2006	38,173,947	8,260,000	12,725,000	786,835	32,266,331	92,212,113	88,666	1,040
2007	33,812,709	21,452,723	11,600,000	752,408	29,395,511	97,013,351	90,785	1,069
2008	28,779,412	16,747,475	10,425,000	712,981	26,389,690	83,054,558	91,586	907
2009	26,607,748	15,822,228	9,550,000	673,554	23,238,870	75,892,400	97,927	775
2010	23,605,000	14,445,000	8,625,000	629,127	19,925,314	67,229,441	93,163	722
2011	34,656,369	12,726,732	29,080,521	584,700	13,256,183	90,304,505	91,364	988
2012	27,675,436	11,686,486	24,254,454	540,273	8,718,881	72,875,530	91,569	796
2013	47,380,186	10,306,239	20,379,800	490,846	7,109,562	85,666,633	92,292	928
2014	48,242,310	8,945,991	19,238,377	—	6,420,237	82,846,915	93,092	890

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

## CITY OF LEE'S SUMMIT, MISSOURI

### RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Net General Bonded Debt Outstanding	Percentage Of Actual Taxable Value <sup>a</sup> Of Property	Per Capita <sup>b</sup>
2005	\$ 34,512,616	\$ 5,610,191	\$ 28,902,425	2.25%	\$ 340
2006	38,173,947	3,834,139	34,339,808	2.43%	390
2007	33,812,709	5,292,263	28,520,446	1.90%	316
2008	28,779,412	6,899,673	22,050,327	1.34%	241
2009	26,607,748	6,548,980	20,186,020	1.21%	206
2010	23,605,000	5,113,390	18,491,610	1.12%	198
2011	34,656,369	6,000,984	28,655,385	1.73%	314
2012	27,675,436	5,922,455	21,452,545	1.32%	238
2013	47,380,186	6,778,725	40,601,461	2.48%	440
2014	48,242,310	7,007,192	41,235,118	2.44%	443

**Notes:**

- Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- a** Taxable Assessed Values provided by Cass and Jackson County Assessors' Offices.
- b** Population figures provided by Lee's Summit Planning and Development Department.

**CITY OF LEE'S SUMMIT, MISSOURI**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As Of June 30, 2014

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>(1)</sup></b>	<b>Share Of Overlapping Debt</b>
Debt repaid with property taxes			
Lee's Summit R-7 School District	\$ 169,513,921	82.88%	\$ 140,493,138
Blue Springs R-4 School District	130,941,305	20.17%	26,410,861
Raymore-Peculiar School District	41,666,522	8.00%	3,333,322
Grandview School District	31,286,093	0.41%	128,273
Hickman Mills School District	32,604,207	0.12%	39,125
Subtotal, overlapping debt			170,404,719
City Direct Debt			76,426,678
Total direct and overlapping debt			\$ 246,831,397

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

# CITY OF LEE'S SUMMIT, MISSOURI

## LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Legal debt limit (1)	\$ 253,403,379	\$ 280,139,899	\$ 279,382,420	\$ 326,887,829	\$ 331,406,460	\$ 328,184,891	\$ 327,131,701	\$ 319,634,286	\$ 322,343,269	\$ 331,688,357
Total net debt applicable to limit	40,634,809	34,620,861	28,782,737	22,125,327	40,261,020	33,566,610	27,974,016	56,932,545	55,654,245	59,225,808
<b>Legal debt margin</b>	<b>\$ 212,768,570</b>	<b>\$ 245,519,038</b>	<b>\$ 250,599,683</b>	<b>\$ 304,762,502</b>	<b>\$ 291,145,440</b>	<b>\$ 294,618,281</b>	<b>\$ 299,157,685</b>	<b>\$ 262,701,741</b>	<b>\$ 266,689,024</b>	<b>\$ 272,462,549</b>
Total net debt applicable to the limit as a percentage of debt limit	16.04%	12.36%	10.30%	6.77%	12.15%	10.23%	8.55%	17.81%	17.27%	17.86%

- (1) Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. State statutes also provide that the City may become indebted not exceeding the aggregate an additional 10% for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm systems and purchasing or constructing waterworks, electric or other light plants, provide that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuations.

**CITY OF LEE'S SUMMIT, MISSOURI**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

Year	Population	Median Household Income <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Median Age <sup>(1)</sup>	Education Level			School Enrollment <sup>(1)</sup>	Unemployment Rate
					High School Graduate Percentage <sup>(1)</sup>	Some College Or Associate's Degree or Higher Percentage <sup>(1)</sup>	Bachelor's Degree Or Higher Percentage <sup>(1)</sup>		
2005	85,642							16,381	3.20%
2006	88,666							16,698	2.90%
2007	90,785							16,953	2.80%
2008	91,586							16,975	3.40%
2009	92,927							17,137	5.40%
2010	93,163							17,238	7.00%
2011	91,364	\$ 71,772	\$ 31,266	38.8	16.4%	29.9%		17,500	7.30%
2012	91,569							17,617	5.40%
2013	92,292							17,534	5.20%
2014	93,092							17,600	5.10%

**Source:** U.S. Census Bureau, U.S. Bureau of Labor Statistics, City of Lee's Summit Planning Department and Lee's Summit R-7 School District

**(1)** City specific Data for off census year is not readily available



## CITY OF LEE'S SUMMIT, MISSOURI

### PRINCIPAL EMPLOYERS Current Year And Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
Lee's Summit R-7 School	2,199	1	4.31%	2,150	1	5.61%
Truman Medical Center Lakewood	1,374	2	2.69%	1,144	3	2.98%
National Benefits Center	1,325	3	2.60%	960		2.50%
Saint Luke's East - Lee's Summit	941	4	1.85%	950		2.48%
John Knox Village	875	5	1.72%	1,053	4	2.75%
City of Lee's Summit	645	6	1.26%	580	6	1.51%
AT&T	619	7	1.21%	1,400	2	3.65%
National Records Center	550	8	1.08%			0.00%
Unity Practical School of Christianity	400	9	0.78%	530	8	1.38%
Metropolitan Community College-Longview	397	10	0.78%	700	5	1.83%
Calmar				580	7	1.51%
Immigration and Naturalization Services				500	9	1.30%
Lab One				500	10	1.30%
	<b>9,325</b>		<b>18.28%</b>	<b>11,047</b>		<b>28.80%</b>

Source: Lee's Summit Economic Development Council

## CITY OF LEE'S SUMMIT, MISSOURI

### FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Administration	33.05	33.05	35.00	33.50	32.50	32.50	31.00	32.00	27.00	27.00
Engineering	43.50	54.55	53.96	37.17	39.27	39.27	37.60	38.95	41.80	38.70
Police	166.32	172.32	167.32	181.70	188.70	196.70	205.20	209.70	208.70	204.00
Fire	137.00	137.00	140.00	146.00	146.00	146.00	146.00	146.00	146.00	146.00
Finance	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	22.50	21.00
Planning and development	9.00	11.00	12.00	11.00	11.00	11.00	9.00	9.00	9.00	9.90
Court	10.90	11.90	11.90	11.90	12.00	12.75	12.75	12.75	12.75	11.50
Codes administration	19.00	19.00	19.00	18.00	18.00	18.00	17.00	17.00	17.00	16.00
Law	10.00	9.75	9.75	9.50	9.50	9.50	9.50	9.50	10.50	10.50
Street	47.00	47.00	47.00	47.75	48.75	48.75	47.00	50.24	49.21	46.70
Parks and recreation										
Community center	8.90	8.90	6.35	7.15	6.80	6.70	6.70	6.75	7.15	39.26
Parks and recreation	23.00	23.00	29.00	29.00	30.00	29.00	24.50	24.95	23.95	26.15
Pool	0.55	0.55	0.30	0.30	0.30	0.95	0.95	1.05	1.60	17.73
Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation center	3.60	3.60	2.40	2.75	2.15	5.30	5.85	6.15	6.15	21.99
Senior center	—	—	—	—	2.05	2.05	2.05	2.10	2.15	10.05
Airport	8.00	7.30	7.30	7.98	7.60	7.60	7.60	7.60	7.04	6.30
Water utilities	57.25	57.50	57.50	58.50	58.50	58.50	58.50	59.50	59.50	60.00
Solid waste	13.00	13.00	13.00	14.20	14.80	14.80	14.80	14.80	15.00	14.80
Central building services	—	—	—	11.00	11.00	10.00	9.50	8.50	8.75	8.80
Fleet	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
Information technology services	14.00	17.00	17.00	17.00	19.00	20.00	20.00	20.00	22.00	26.20
<b>Total</b>	<b>631.07</b>	<b>653.42</b>	<b>655.78</b>	<b>671.40</b>	<b>684.92</b>	<b>696.37</b>	<b>693.5</b>	<b>704.54</b>	<b>707.75</b>	<b>772.58</b>

Source: City of Lee's Summit Finance Department

# CITY OF LEE'S SUMMIT, MISSOURI

## OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Building Permits Issued (1)</b>										
Residential/single family	911	791	489	380	129	110	170	166	270	319
Residential/multi family	69	82	55	58	8	1	—	—	2	6
Commercial/industrial	67	44	80	35	23	19	13	10	14	9
Additions	1,131	1,223	2,820	1,937	1,245	1,082	1,302	*5,229	1,588	1,404
<b>Police protection (1)</b>										
Part I crimes	2,576	2,357	2,254	2,521	2,378	2,290	2,232	1,854	1,700	1,749
Notable part II crimes	2,131	2,424	2,047	2,178	2,222	2,295	2,385	2,268	2,378	1,972
Traffic crashes	2,313	2,206	2,114	2,125	2,083	1,912	2,047	1,906	1,753	1,821
Calls for service	65,856	64,548	61,624	64,715	76,322	85,255	91,037	88,846	77,008	75,325
Number of officers	108	112	117	122	129	136	136	143	142	142
Animal control calls for service	8,523	8,844	8,562	8,110	8,161	8,857	8,737	8,474	8,960	9,358
<b>Fire protection</b>										
Fire personnel	131	137	140	140	146	146	146	146	146	146
Calls answered	6,421	7,003	7,051	7,750	8,401	8,015	9,144	9,147	9,027	8,917
<b>Water source</b>										
Kansas City Water Co.	32.97%	42.30%	38.43%	32.82%	33.94%	12.00%	19.40%	34.30%	27.90%	27.60%
Independence Water Co.	67.03%	57.70%	61.57%	67.18%	66.06%	88.00%	80.60%	65.70%	72.10%	72.40%
<b>Water</b>										
Number of service connections	31,991	32,889	32,950	33,666	33,735	33,800	34,260	34,242	34,538	34,774
Number of fire hydrants	4,867	4,975	4,975	4,975	4,871	4,887	4,922	4,940	4,940	5,006
Average daily consumption (gallons)	9,760,000	11,300,000	10,360,000	10,705,000	9,540,000	8,960,000	9,650,000	11,603,000	10,790,000	10,390,000
Maximum contract amount	21,500,000	21,500,000	21,500,000	21,500,000	21,500,000	21,500,000	21,500,000	21,500,000	27,500,000	27,500,000
Maximum daily demand	19,770,000	25,400,000	23,920,000	22,000,000	15,000,000	16,500,000	20,400,000	22,810,000	25,500,000	19,000,000
Storage capacity (gallons)	32,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000

(1) Statistics based on calendar year

\* This includes re-roof permits. In April 2011 a significant hail storm hit the area.

Source: City records

# CITY OF LEE'S SUMMIT, MISSOURI

## CAPITAL STATISTICS BY FUNCTION Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police Protection</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire Protection</b>										
Stations	6	6	7	7	7	7	7	7	7	7
<b>Public Works</b>										
Residential centerline miles				325	327	327	337	308	271	309
Collector centerline miles				67	102	102	83	88	90	92
Arterial centerline miles				75	91	91	103	83	91	81
<b>Parks and Recreation</b>										
Parks	26	27	27	27	27	27	28	28	28	29
Swimming pools	1	1	1	1	1	1	1	1	1	1
Indoor aquatic center	1	1	1	1	1	1	1	1	1	1
Tennis courts	15	15	15	15	15	15	15	15	15	15
Community centers	2	2	2	3	3	3	3	3	3	3
<b>Water</b>										
Miles of water mains	600	637	637	637	637	604	607	604	604	607

Source: City records